

JPRS-SEA-85-105

3 July 1985

## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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3 July 1985

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AGRICULTURE AIRCRAFT DEAL WITH PRC REPORTED

Sydney THE AUSTRALIAN in English 1 May 85 p 18

[Text]

CHINESE orders for four Sydney-built Transavia Air Truck agricultural aircraft will be announced shortly and Chinese agricultural pilots and aircraft loaders will be sent to Australia for training later this year.

The deal is seen as a major breakthrough for the Sydney construction company, Transfield, and could lead to licence building of hundreds of the distinctive Air Trucks in China to replace ageing Soviet agricultural aircraft.

Four Air Trucks are expected to be built for China at Transavia's Seven Hills plant before the end of this year to prepare for the next short Chinese growing season from March.

The deal comes after four years of often tortured negotiations by the Australian Government which has caused considerable ribald comment in the local aerial agricultural industry.

Since the Air Truck first flew in 1966, 115 have been produced with about three quarters being sold overseas.

Despite the slow sales, Transfield is widely admired for keeping the Air Truck in production while many Government-inspired aircraft projects have come and gone, despite the great prospects touted for them.

Although the Air Truck retains its distinctive twin-boom layout, it has been subject to major re-design in many areas and is now considered a much more "civilised" aircraft.

The Chinese presently operate large Antonov AN 2 biplanes for agricultural work. These aircraft require two

pilots and are difficult to manoeuvre.

Ten people are required to load them by hand between each dropping run, with the task taking 15 to 30 minutes.

Australian agricultural pilots confidently predict productivity improvements of "several hundred per cent" per aircraft when the Air Trucks are introduced.

During a recent visit, Chinese agricultural representatives watched two Air Trucks being turned around in about 20 seconds each with one loader-driver filling each with about 1000kg of superphosphate.

One of the aircraft was the third Air Truck built in 1966.

The Chinese experts from a regional farming complex in the northern provinces, near Vladivostok, were apparently not connected with another group of Chinese who toured Australia two years ago to examine Australian and US agricultural aircraft.

They were shown older 300hp Air Trucks working off short hill strips and were reportedly impressed with the quick turn around and the fact that Australian agricultural aircraft invariably turn steeper than 30 degrees of bank.

The Aerial Agricultural Association of Australia said technicians and ground loaders, as well as pilots, will be trained in Australia, but there is some scepticism about how conservative Chinese pilots may adapt to Australian agricultural flying methods.

The Chinese are also expected to be interested in Australian superphosphate loading equipment.

Most loading in China has been done with loaders carrying individual bags up a ramp to dump into the aircraft.

"Sometimes wettable power chemicals are also handled this way," noted an anonymous writer in a recent Air Age News.

"One can imagine the results of a team of sweating coolies with say 20 bags of micronised sulphur dust up on top of an Antonov with 2000 acres to go before sunset.

"One would think that the bureaucracy in Canberra would have done far better if they had approached our industry on an association level in the first place on this project.

"It is far too big for any one operator and the most competent people, including chemical companies and so on, could have had this project wrapped up in a few months instead of the three-four years it has taken to this date."

CSO: 4200/1046



AUSTRALIA

ECONOMIST WARNS EXPORTS MUST OVERWHELM TRADE DEFICIT

Melbourne THE AGE in English 3 May 85 p 22

[Article by Peter Gill]

[Text]

Australia must go from a trade deficit to a trade surplus of about \$4000 million a year within four years if it is to avoid the consequences of massive overseas debt, Mr John Macleod, a CRA economist, said yesterday.

He told the Australian Mining Industry Council conference in Canberra that Australia faced an immediate and immense challenge in avoiding a decline in living standards through overseas debt.

He said Australia could not continue to borrow \$7000 million to \$9000 million a year for long because the interest, apart from the repayments, would overtake the country in two years.

"It might be useful to consider some orders of magnitude of the task ahead of Australia. Over the next two to four years we should be aiming to achieve a trade surplus of \$4000 million per annum — that is an improvement of nearly \$6000 million over the current performance," Mr Macleod said.

"In addition, we should be looking for significant increases, 30 per cent minimum, in our gross services income. Both of these are enormous tasks," he said.

He added: "The major task is a

national effort to lift exports of goods and services. We simply must transform Australia into a nation which understands that an external looking, internationally competitive stance, is the fast track for growth and solutions to our debt problems."

Sir William Vines, chairman of the ANZ, said de-regulation had opened political and economic decision making in Australia to the discipline of domestic and international appraisal. This had happened when commodity export growth was constrained, imports were surging, and the current account deficit was being boosted by a growing overseas debt.

"The upshot is that future domestic economic policies threaten to be seriously circumscribed by the need to attract strong capital inflows to offset a high, and seemingly intractable current account deficit," Sir William said.

"Whilst domestic indicators suggest a broadly based recovery is beginning to get underway, this current account deficit, together with the large public sector deficit, is operating to keep a floor under interest rates and, in the absence of corrective adjustments, poses a threat to that recovery being sustained."

CSO: 4200/1046

AUSTRALIA

EMERGENCY DECLARED IN VICTORIA MILK CRISIS

Sydney THE AUSTRALIAN in English 1 May 85 p 1

[Article by John Lyons]

[Text]

A STATE of emergency was declared in Victoria yesterday permitting police to ensure the passage of milk to the State's consumers.

The Premier, Mr Cain, invoked the Essential Services Act, 1968, as the dispute seemed likely to worsen.

Under the Act, the State Government has almost unlimited powers.

Rebel farmers manning blockades face six-month jail terms or \$1000 fines if they refuse directions from police.

Anyone interfering with, molesting or annoying others involved in the production, handling or transport of milk also faces prosecution.

Police personnel can be asked to operate essential services, and the Government can direct people to maintain equipment needed for movement of essential services. Private property can be requisitioned if the Government deems it necessary for the provision of such services.

As a final resort, it can ask the Federal Government for the assistance of the armed services.

But the bringing in of the army or other services would be the "last straw", Mr Cain said.

Extra police were rostered to attend at Victoria's major dairy centres - Shepparton, Tongala, Strathmerton, Warragul, Maffra and Colac - where confrontations were expected to occur today.

Mr Cain, announcing the declaration of the State of Emergency, said farmers were persisting with aggressive picketing and a combative, confrontational attitude.

"People are starving to death in Africa, and the dairy farmers are pouring milk into the ground," he said.

Tanker drivers had been abused, spat on, and had their trucks pelted with stones. Police had been assaulted for doing their jobs.

"The latest actions by the dairy farmers have exhausted the Government's patience," Mr Cain warned.

"Pouring milk down the drain is an act of wanton vandalism. It will not advance their cause one iota. We have even had threats from leaders of the rebels that they will cut off water and power supplies and carry out other acts of vandalism against public and private property.

"These are not the actions of responsible people - they represent thuggery against the people."

The leader of the rebel farmers, Mr David Everist, described the decision as "bloody ridiculous", but said it would not lead to confrontation and violence with picketers.

Dairy farmers responded to the announcement with Operation Whiteout - the pouring of milk down drains and into paddocks, but last night about 10 milk tankers had moved through blockades

without undue hindrance.

Panic-buying continued throughout the State as milk outlets began limiting supplies and rationing sales.

Divisions grew within the dairying community, and about 500 farmers from the Maffra and Traralgon districts called on the rebels to lift the milk blockade.

A meeting organised by the United Dairy Farmers of Victoria also demanded that police restore law and order to milk supplies.

Other farmers in areas such as Glengarrigie vowed to maintain pickets to prevent all but essential milk supplies getting through.

In Canberra, the federal Minister for Primary Industry, Mr Kerin, called on the rebel farmers to abandon their blockades and prepare for the new national plan to be brought in on July 1.

Mr Everist said yesterday: "We are prepared to talk to the Premier at any time. The blockade has been going on for four days and we have not had one move by the Government to talk to us. We are convinced all farmers in this State will back us to the hilt."

"We are not prepared to go to jail for six months or to be fined \$1000 under the Essential Services Act. If they try to come onto the farms and milk

cows we'll sue them..."

The Victorian Opposition Leader, Mr Kennett, said last night he was "horrified" that a State of Emergency had been declared. It was unnecessary, and would not solve the dispute.

Mr Kennett said the only reason Victorians were now living under a State of Emergency was that Mr Cain had failed to honour his pre-election promise to farmers of a national milk marketing plan.

Mr Kennett said that Mr Cain had performed the "greatest contempt of the Victorian public" by effectively declaring a State of Emergency from midnight last Sunday but not announcing it until 10am yesterday. He said the Victorian Government gazette showed the State of Emergency being declared for Monday April 20.

Emergency legislation has been used four times in Victoria.

Original legislation was used to break the Melbourne police strike in 1922.

In 1977, it was used against power workers, and in 1981 the Thompson Liberal Government invoked the present Act to break a transport strike which also hit milk supplies.

In 1983, the Cain Government used the Public Safety Preservation Act against striking prison officers.

AUSTRALIA

MINING INDUSTRY PROBLEMS ANALYZED

Sydney THE AUSTRALIAN in English 1 May 85 p 19

[Article by David Erskine]

[Text]

"THE resources sector - minerals and minerals processing, and petroleum - has emerged over the last decade or so as a cornerstone of the Australian economy."

Speaking is the recently appointed Federal Minister for Resources and Energy, Senator Evans in his maiden address to the Bureau of Mineral Resources in late March.

As Senator Evans indicated, the importance of the industry to the Australian economy, cannot be underestimated.

The 120 or so companies that are members of the industry's representative body, the Australian Mining Industry Council, last year reported total assets exceeding \$25 billion.

Between them they employ about 80,000 people and indirectly are responsible for the livelihood of tens of thousands more.

And during 1984 the industry achieved record export levels of \$11.3 billion, thus providing substantial relief for Australia's balance of payments.

And yet governments, both State and Federal, in their greed for short-term revenue gains to fill empty Treasury coffers, appear to ignore the need to ensure a healthy industry for future generations of Australians.

Coal freight rates are an excellent example of government's squeezing every last cent out of the industry, thus seriously eroding its international competitiveness.

The coal industry is Australia's largest exporter, earning almost \$4 billion during 1984, a level which should rise by about another \$1 billion again this year.

But coal companies are up against severe government charges which are severely hampering efforts to keep an edge over their competitors and win new coal contracts.

As one industry analyst recently pointed out, the total cost of transporting and loading one tonne of coal in Australia is \$6 higher than in South Africa.

Between 1981 and 1983, rail freight charges in NSW increased by 65 per cent and those in Queensland by 50 per cent. Port and labour costs also increased sharply.

Australia's international competitors, however, suffered significantly less severe cost increases.

Australian mining companies recorded a turnover of over \$10.7 billion during 1983/84 and emerged with a miserable return on shareholders funds of only 4.4 per cent.

Total profit recorded by AMIC members was only \$461 million, up only slightly on the previous year's profit levels of \$381 million.

About half the respondents to last year's survey (59 out of 120) reported losses totalling \$358 million.

In the coal sector the net profits fell from \$217 million to \$193 million with 17 of those respondents posting total net losses of \$100 million.

Direct taxes paid by mining

companies exceeded \$1 billion (about 63 per cent of pre-impost profit) with another \$680 million in indirect taxes through payroll.

Such levels of taxation at a time of poor profitability should make the Commonwealth and, in particular, State governments examine their charges and taxes on the industry to ensure Australia's mining industry will be able to compete fairly in tough international markets.

As the executive director of AMIC Mr James Strong points out in the accompanying article, State government taxes and charges are estimated to be responsible for about half total Government take from the industry.

The devaluation of the dollar has aided the industry, shielding many companies from the effects of low \$US prices and should help increase profitability this year.

So what of the future? Low profitability and depressed conditions have forced companies to slash investment in exploration for new mineral deposits and investment in new projects.

Expenditure on fixed assets during 1983/84 was just over \$2 billion.

This level of investment reflects decisions which were taken in the late 1970s at the height of the boom but is still over \$1 billion less than each of the previous two years.

Total investment for the year ended June 30, 1985 is expected to fall by about 10 per cent.

Exploration expenditure is also on the decline. This year companies are expected to spend less than \$300 million

compared with \$460 million only three years ago.

Mr Strong believes the outlook is one of guarded optimism.

"Some sectors of the market are showing more signs of improvement than others, and the decline in the value of the Australian dollar has given some improved returns, after one of the most difficult periods in the history of the industry.

"However, it is not possible to say that the industry has begun a sustained recovery.

"Generally, prices remain unsatisfactory and internal cost pressures are severe."

Future new markets could develop in the Western Pacific, especially in China where Australian miners have a good chance of picking up large long-term contracts for exports because of the strong ties between both countries.

As Senator Evans said recently: "This is the fastest growing segment of the world economy, featuring several newly industrialising countries (in particular China) with rapidly increasing requirements for minerals and metals."

"Our potential advantage is particularly evident in relation to bulk minerals where transport cost advantages are important."

State governments please note. If the industry loses these "transport cost advantages" through excessive government charges they are in danger of losing out on a major share of a multi-billion dollar future market.

The loss of those markets could mean the loss of thousands of future jobs.



AUSTRALIA

MINERAL EXPORTS RESCUE GOVERNMENT DEFICIT

Sydney THE AUSTRALIAN in English 1 May 85 p 20

[Text]

WITHOUT the billions of dollars in revenue raised each year from Australia's mineral exports, the country's trade deficit would not be so much in the red, but, more a deep shade of crimson.

And without our vast supplies of these resources, Australia would be suffering an import bill of astronomical proportions to meet our growing energy requirements.

Australia is undoubtedly still the lucky country in terms of its wealth of natural resources.

The importance of these reserves may not be so apparent in today's climate of an overabundant world supply of energy sources and low prices.

But another energy crisis — its not a matter of if but when soaring energy costs have the western world in turmoil once again — and the importance of this industry will be brought home with a bang.

During 1984 mineral and resource companies exported over \$11 billion worth of our valuable commodities, a figure which was around \$1.5 billion higher than the previous year and, is expected to rise significantly during 1985 on the back of our depressed dollar.

Top of the export tree is, by far, coal, which as the accompanying story shows earned almost \$4 billion during 1984.

Aluminium and alumina (\$1.6 billion), iron ore (\$1.6 billion), oil and LPG (\$960 million), zinc (\$472 million), and gold (\$420 million) were the next top earners in a year when export revenues soared to an all time high.

The Bureau of Mineral Resources believes that while the industry has the potential for

further expansion this year, it will face some serious challenges.

Major mining developments in gold and diamonds are underway and aluminium smelting will again be expanded this year.

There is also a resurgence in the steel and ferro-alloy sectors, the base metal industries are being integrated and rationalised, while additional processing in the mineral sand industry is planned or underway.

Markets for non-ferrous metals, particularly zinc, nickel and copper, are improving which combined with an upturn in world steel industry augur well for the industry's future.

But the BMR warns that unused production capacity remains in the more important metals and world markets are becoming increasingly competitive.

Australia's share of future markets, "will depend to a large extent on the ability of our mining industry to hold costs at competitive levels, and on parity changes in the Australian dollar over which the mining industry has little control."

Last year witnessed the breaking of numerous production and export records.

COAL production during the year was 20 million tonnes higher than the previous year's levels with just over 140 million tonnes of raw coal mined of which about 115 million tonnes was saleable.

The increase in production was mainly due to a record 51 million tonnes of saleable coal mined in Queensland, up by

## Principal exports of Australian mineral primary products

	Unit of Quantity	1983		1984	
		Quantity	Value f.o.b. (\$'000)	Quantity	Value f.o.b. (\$'000)
Alumina	'000t	6378	1,184,906	8861	1,287,297
Aluminium (ingot metal)	t	234,542	332,724	330,848	518,583
Coal (black)	'000t	61,466	3,345,575	76,227	3,908,412
Copper (d)	t	157,844	274,859	151,270	224,586
Gold (b)(d)	kg	20,635	270,018	33,375	418,106
Ilmenite concentrates (f)	t	828,209	24,711	1,203,945	40,921
Iron ore and pellets	'000t	74,039	1,573,255	82,904	1,562,282
Iron, ingot steel, ferro-alloys	'000t	903	126,410	411	81,271
LPG	'000t	1453	428,448	1662	432,412
Lead (b)(d)	t	409,734	383,291	397,879	348,479
Nickel (d)	t	n.a.	320,787	n.a.	385,239
Oil Crude (h)	'000m	151	32,083	2528	513,707
Rutile concentrates	t	217,662	53,955	189,201	57,245
Salt, bulk	'000t	4534	68,842	3855	77,239
Uranium and thorium	t	3273	296,008	3308	312,079
Zinc (b)(d)	t	634,870	387,088	638,766	472,383
Zircon concentrates	t	379,975	44,745	440,057	54,703
Other minerals	—	—	440,716	—	449,682
<b>TOTAL</b>	—	—	<b>9,728,567</b>	—	<b>11,250,575</b>

almost 14 million tonnes on the previous year.

NSW only experienced a small increase in output — up from 55.9 million tonnes of saleable coal to 57.8 million tonnes.

Domestic consumption rose by 7 per cent to 39.1 million tonnes of which about 80 per cent was used for electricity generation.

Notable events in the coal industry during the year included:

- The Federal government's decision to modify the coal export levy to help the industry.

- Completion of the development of the Hydrographers Passage through the Great Barrier Reef, north-east of Mackay, which will substantially reduce the steaming distance and thus transport costs to Japan and other Asian markets.

- BHP's \$US2.4 billion purchase of Utah International from General Electric.

- Boosting of Australian export capacity with the commissioning of the Abbott Point port (capacity 6.5 million tonnes a year) in Queensland and the Kooragang Island facility (15 million tonnes) at Newcastle.

ALUMINIUM also saw new production and sales records.

Bauxite production rose by about 19 per cent from 24.5 million tonnes in 1983 to 29.3

million tonnes in 1984.

Alumina production was also up by about 16 per cent from 7.2 million tonnes to 8.4 million tonnes.

The higher production levels were due to the commissioning of two new West Australian alumina refineries at Wagerup and Worsley along with the expansion of capacity at the Gladstone refinery in eastern Queensland.

### Exports

Domestic aluminium production increased by almost 80 per cent during the year — the result of the commissioning of the second pot-lines at both Boyne Island smelter and the Tomago smelter near Newcastle.

Exports of bauxite rose by about 22 per cent to 5 million tonnes in 1984 reflecting increased sales to the United States and to South-East Asian countries.

Aluminium exports more than doubled from 234,500 tonnes in 1983 to 476,000 tonnes in 1984.

IRON ORE also experienced increased sales during 1984 as the world's steel industry picked up.

Iron ore production rose by about 27 per cent from 74 million tonnes to 93 million tonnes in response to increased export demand.

Exports rose from 74 million tonnes to 83 million tonnes.

Japan was by far the largest customer for steel, taking delivery during the year of 58.1 million tonnes (up 12 per cent), followed by Western Europe with 15.2 million tonnes (up 18 per cent), South Korea, 4.9 million tonnes (up 3 per cent) and China 4.1 million tonnes (up 36 per cent).

Highlights during the year included the signing of an agreement between Australia and China on economic co-operation in the iron and steel industry.

China is also looking closely at a joint development with Hammerley Iron of the Chanar iron ore deposit, 20km east of Paraburdoo.

Steel production rose from about 5.62 million tonnes to 6.2 million tonnes.

Proposals were announced during the year for construction of small-scale steel plants in the Brisbane area.

GOLD miners also achieved notable increases in output for the fourth year in succession with the commissioning of numerous new mines.

Output during the year was up by about 23 per cent from 30,591kg to 37,300kg with over 80 per cent coming from West Australian mines.

Last year's output was more than double that of 1961 and this year's gold production is expected to soar to a post-war record.

According to the BMR, Australia has demonstrated economic reserves of 536 tonnes of gold with almost the same amount which is currently uneconomic to develop.

ZINC output was affected by industrial disputes. Production fell from almost 700,000 tonnes during 1963 to 697,000 tonnes.

Zinc exports rose only slightly from 633,000 tonnes to 639,000 tonnes.

AUSTRALIA

## COAL INDUSTRY EXECUTIVE HITS GOVERNMENT ROLE

Melbourne THE AGE in English 3 May 85 p 22

[Article by Brian Hale]

[Text]

State and Federal Governments were warned yesterday that their involvement in the coal industry threatened prospects for coal exports.

Mr John Carden, CRA's finance director, told the Pacific Coal conference in Brisbane yesterday that "pervasive" would not be too strong a word to describe the involvement, although "perverse" might be suggested as an additional adjective.

Mr Carden cited export controls, taxation and the growth in state government revenues as major factors on the industry's ability to compete internationally.

There was evidence of sales lost because of export controls, and state government rail freight charges could only hamstring the industry's ability to compete in a difficult market, Mr Carden said.

Coal production had increased by 70 per cent over the past five years, but royalty payments had risen by 150 per cent and payments for government services by no less than 228 per cent. The consumer price index had risen by a mere 45 per cent.

Mr Carden said he did not intend to re-open the debate about government charges, which reached a head in Queensland last year, "but that debate is continuing and it would be foolish to deny... that it is a very serious

problem for our industry."

He said the industry would have little to complain about if rail freight charges represented nothing more than the cost of getting coal to port. But the freight rate varied significantly from mine to mine and in Queensland coal companies generally had had to provide all the new capital costs.

"The Queensland Government is making a healthy profit out of coal production over and above royalties and largely irrespective of international market conditions," he said.

"The story is broadly the same with respect to the New South Wales Government. There are coal mines where more than 50 per cent of the total costs incurred in getting a tonne of coal on board a ship ready for export is made up of rail freights and associated capital costs, port charges and other state and federal charges.

"How can we confront intense competition, especially if that competition is putting pressure on prices?

"Frankly it is hard to see much scope for further cuts. But even if there were, the impact of such reductions would be relatively minimal given that so much of our cost structure consists of government charges."

CSO: 4200/1046

AUSTRALIA

## OPPOSITION LEADER FOCUSES NUCLEAR POLICY ON VOTERS

Sydney: THE AUSTRALIAN in English 2 May 85 p 2

[Article by David O'Reilly]

[Text]

THE Leader of the Opposition, Mr Peacock, is moving to exploit the vacuum in the disarmament debate created by the apparent collapse of the Nuclear Disarmament Party (NDP) and festering backbench problems for the Federal Government.

Coincidental with last weekend's NDP brawl, the Opposition has been preparing to step up the battle for the middle-class vote by hammering its nuclear policy based on active deterrence and commitment to disarmament.

Mr Peacock is positioning himself to exploit concern inside the Government about the potential for another factional clash over the nuclear issue. He announced yesterday the distribution of a new videotape and pamphlet package explaining the Liberal Party's position.

The issuing of the package is also evidence that Mr Peacock is determined not to surrender to his deputy, Mr John Howard, the role of dominant voice on the disarmament issue in the Liberal and National parties.

Recent hawkish speeches by Mr Howard have prompted speculation that he is emerging as the driving force behind the Opposition's shift to the right on the issue.

With the Prime Minister, Mr Hawke, and the Minister for Foreign Affairs, Mr Hayden, made uncomfortable by the development of a government

backbench "ginger group" working towards an anti-nuclear and anti-US defence posture, opposition strategists see the opportunity to paint the ALP as a captive of the Left and themselves as the only credible alternative.

The issuing of the videotape and pamphlet follows the decision at the Liberal Party's policy meeting in March to set up a joint coalition committee aimed at assuring right-wing supporters that the Opposition backs the US, but also leaving room to satisfy concerns of many Liberal voters believed to have defected to the NDP at last year's election.

The 20-minute videotape consists of a five-minute address by Mr Peacock, followed by a question-and-answer segment originally expected to be based around the Opposition's spokesman on foreign affairs, Mr Ian Macphree. Senator Robert Hill stood in when Mr Macphree became ill.

Resisting the temptation to attack the peace movement, as Mr Howard has done recently, Mr Peacock is stepping up his portrayal of the Government as "inconsistent, dishonest, wracked by factionalism" and anti-American.

"It is regrettable that the Labor Party, whilst accepting the validity of our arguments on uranium, the United States alliance and deterrence, have implemented their policies in this area in an inconsistent and dishonest fashion," he says on the videotape.

While there was great fear of



nuclear war in the community, what many well-intentioned people presented as the answer had the potential to undermine the basic source of global peace and stability.

"The most menacing thing to Western security is nuclear weakness," Mr Peacock said.

"Any scheme for dealing with the nuclear balance that would disarm, even in part, one side only, or upset the balance between the two sides, would leave us more threatened, not less."

CSO: 4200/1046

AUSTRALIA

BRIEFS

QUEEN APPROVES NEW ANTHEM--ADVANCE Australia Fair, the song which last year became our national anthem, has received the royal imprimatur. Buckingham Palace has sanctioned its use in the presence of the Queen. Until now, only God Save The Queen could be played. In a statement yesterday, the Governor-General, Sir Ninian Stephen, said the Queen had now decided that although the full God Save The Queen was still to be played at the start of an engagement attended by the Queen, Advance Australia Fair may be played at the end. "The Queen wishes this change to also apply to engagements undertaken in Australia by other members of the royal family and on these occasions the abbreviated forms of both anthems will be used," the statement said. The Prime Minister, Mr Hawke, welcomed the change, it noted. [Text] [Sydney THE AUSTRALIAN in English 1 May 85 p 1]

CSO: 4200/1046

3 July 1985

## INDONESIA

## SUHARTO CALLS FOR ENHANCEMENT OF FRIENDSHIP WITH AUSTRALIA

Jakarta ANTARA NEWS BULLETIN in English 15 May 85 p A8

[Text]

Jakarta, May 15 (ANTARA).-- President Soeharto said Indonesia and Australia as close neighbours have to continue to endeavour to enhance friendship, deepen mutual understanding and step up cooperative relations.

"Because all these are our common needs and constitute as one of the guarantees of the feeling of security for us", the President said when he received the letters of credentials of Bill Morrison, the new Australian ambassador to Indonesia replacing Rawdon Dalrymple.

President Soeharto said relations between close neighbours could deteriorate because of the existence of differences of views. Nevertheless, the important thing is the existence of common efforts to find meeting points for overcoming the differences of views on the basis of the principles of mutually respecting the sovereignty of the other and non-interference in the internal affairs of the other, he said.

With the success of such common efforts, according to the President, not only deteriorating relations would be improved but also friendship would be made closer and mutual understanding made deeper.

## National development

President Soeharto also briefly described the efforts of Indonesia in the national development field aiming at improving the welfare of the Indonesian people.

"In our endeavour to carry out national development, we appreciate very much and are grateful for the attention as well as the cooperation given by the government and the people of Australia to us", he said.

He promised that he would give all necessary assistance that might be needed by Ambassador Bill Morris in carrying out his duty in Indonesia.

"I am sure, the great attention and love which Your Excellency and your family had shown in the past toward Indonesia will contribute much to the success of the effort to enhance friendship and cooperation between our two countries and nations", President Soeharto said.

Before his posting to Indonesia, Bill Morrison was an Australian member of parliament representing the Labour Party known for his sympathy for Indonesia.

He once led an Australian parliamentary delegation to visit East Timor in the framework of effort to create mutual understanding between the people and the governments of the two countries on the East Timor issue.

3 July 1985

## INDONESIA

## MALAYSIAN AMBASSADOR PRESENTS CREDENTIALS

Jakarta ANTARA NEWS BULLETIN in English 15 May 85 pp A9, A10

[Text]

Jakarta, May 15 (ANTARA).-- President Soeharto has affirmed that the ideals of creating a zone of peace, freedom and neutrality (ZOPFAN) in Southeast Asia will not materialize before the Kampuchean problem is settled. ASEAN, he added, is attempting hard to remove the barrier.

"As developing nations, ASEAN requires secure and stable conditions either at home, around the neighboring region or elsewhere in the world in general", the President said Wednesday when receiving credentials from the new Malaysian Ambassador to Indonesia, H. Muhammad Khatib Bin Abdul Hamid, who replaces Tato Mohammad bin Rachmat.

"To that end", added President Soeharto, "the ASEAN member-countries are striving shoulder to shoulder for the creation of a peaceful, prosperous and stable region for the sake of world peace."

President Soeharto on the occasion also hoped that with the appointment of the new ambassador, brotherly relationship between the two countries would continue to grow.

He said the peoples of the two countries have enjoyed this brotherhood by setting up sincere and mutual-support cooperation either at bilateral, regional or international forums.

Ambassador Muhammad Khatib in his address hoped that the brotherhood spirit be maintained and promoted for continuing close cooperation in all fields.

"I realize that in this context, my obligation and responsibility are great", he said, assuring that he would eternalize this special relationship in line with the aspiration of the peoples of both countries.

The new Malaysian Ambassador was born on August 3, 1938 in Negeri Perak, and has three children from his marriage with Puan Noni Khatib.

Before assuming his task in Indonesia, he served as Malaysian ambassador to Kuwait since 1981.

CSO: 4200/1048

INDONESIA

AUSTRALIAN AMBASSADOR ON RELATIONS WITH INDONESIA

Jakarta ANTARA NEWS BULLETIN in English 16 May 85 pp A1, A2

[Text]

Jakarta, May 15 (ANTARA).-- The new Australian Ambassador to Indonesia, Bill Morrison, did not see Indonesia as a threat to his country.

Speaking at a press conference here Wednesday on an assumption to that effect, he said bilateral defence cooperation between the two nations will be given a high priority.

Bill Morrison, who earlier in the day handed his credentials to President Soeharto, further stated that Australia and Indonesia shared many interests.

He mentioned the exchange of military personnel as one effective way of promoting military cooperation between the two countries.

Bill Morrison said the relationships between the two countries were important, which was reflected in the Australian government's priority in the bilateral ties between the two nations.

When presenting his credentials to President Soeharto, Morrison said Australia tried to play a positive role in assisting the Asian region.

Meanwhile, he recalled the visit of the Australian Prime Minister to Indonesia in 1983 and the first visit of the Australian foreign minister to this country. In that year, Morrison led an Australian parliamentary delegation to Indonesia.

He said the dramatic economic growth in Indonesia was a very interesting thing.

"When I came here about 30 years ago, I did not think Indonesia's economy would grow as it has now", he said.

He also said East Timor and Irian Jaya had changed a lot from their condition in 1983.

He said he submitted a report to the Australian parliament on the developments in East Timor.

"I think Australia understood the situation in East Timor", he said.

As regards Irian Jaya, he said Australia was also satisfied with the development of relations between Indonesia and Papua New Guinea and with the discussions between the two countries.

Morrison was confident Indonesia and the PNG would be able to solve bilateral problems through the discussions.

Before becoming ambassador to Indonesia, Bill Morrison (56) held a number of ministerial positions, such as minister for sciences and minister of defence.



He visited Indonesia for the first time in 1956 when attending a regional conference of the FAO in Bandung.

In 1972, he again came to Indonesia and addressed the House foreign affairs commission. He and his family also made a private visit to Indonesia in 1977 and the latest was in 1983 at the head of an Australian parliamentary delegation.

He was Charge d'Affaires at the Australian Embassy in Moscow, Deputy High Commissioner with the Australian High Commissioner's Office in Kuala Lumpur, First Secretary with the Australian Embassy in Washington and Second Secretary in Bangkok.

CSO: 4200/1048

INDONESIA

INDONESIAN BUYERS REAPPEAR IN CANTON TRADE FAIR

Jakarta ANTARA NEWS BULLETIN in English 18 May 85 p A1

[Text]

Hongkong, May 17 (ANTARA/AFP).-- Indonesian buyers showed up for the first time in about 18 years at the just-ended Canton Trade Fair where they bought some Chinese raw silk, market sources here said Friday.

Jakarta broke diplomatic relations with Peking in 1967, accusing it of backing an abortive communist coup two years earlier. Indirect trade between the two is currently conducted through Singapore and Hongkong.

Indonesia earlier this year announced it would establish direct trade links with China and this month the Sinar Harapan newspaper in Jakarta said a trade agreement was likely to be signed shortly in Singapore or Hongkong, quoting Indonesian Chamber Chairman Sukamdani Gitosardjono.

Local dealers said Indonesian buyers had been absent from Canton for 18 years.

At the latest Canton Fair, which ended last week, they were understood to have taken a quantity of Shangnai silk forwards for June-August at 22.93 US dollars per kilo.

CSO: 4200/1049

INDONESIA

TRADE MINISTER DISCUSSES ECONOMIC SITUATION

Jakarta ANTARA NEWS BULLETIN in English 21 May 85 pp A4, A5

[Text]

Jakarta, May 20 (ANTARA).-- Minister of Finance Radius Prawiro Monday affirmed that Indonesia's current economy as shown by some indicators appeared not to be suffering from a slump as seen by some economic observers.

"Indonesia's economic growth in 1984 even surpassed that of the previous year", he told a parliamentary hearing, but admitted the increase was not spectacular as in the 1970s, when the nation's oil revenues were gaining ground.

he elaborated on the increase in money in circulation at 8.9 percent in fiscal 1982/83, 9.2 percent in 1983/84 and 7.8 percent in 1984/85. On the other hand, credit supplies have indicated a somewhat speedy rise from Rp.2,970 billion (27.7 percent) in 1982/83, Rp.2,430 billion (17.7 percent) and further up to Rp.3,501 billion (21.7 percent) in 1984/85.

"These figures showed the increasing role of banks as source of development funds in affecting money in circulation in the public", said the minister.

Other records also indicated that certain industries able to adjust themselves to public demand, have scored an adequate growth in 1984.

Apart from that, the minister considered the state earnings from taxes which jumped up by 9.8 percent (income tax) and 10 percent (sales tax) from the previous year as one of the indicators that the country's economy is not bearish.

"The increase in tax revenues hinted an improvement of the economy", he added.

"One more indicator was the increase in receipts of tobacco duties by 12.9 percent in 1984/85", he said, describing it as showing an improved income of the people.

In general, Minister Radius Prawiro judged Indonesia's economic performances in 1984 as running a relatively more favourable development, despite a slight fall in oil revenues.

An increase in non-oil exports and the reduction in foreign exchange spending have so far narrowed the deficit by 29.1 percent from US\$ 4,151 million in 1983/1984 to US\$ 2,941 million in 1984/1985.

"This position was more favourable than those of other oil-producing developing countries estimated to suffer from an average of US\$ 8 billion in deficit, and non-producing developing countries sustaining from US\$ 45 billion", said the minister.

"This achievement is even better than those of the industrialized countries in general", he added.

Considering these developments, the minister presumed Indonesia's trade balance in 1984/85 would make a surplus with an estimated holding US\$5,811.2 billion in foreign exchange reserves by end-March of 1985.

Meanwhile, the inflation rate in 1984 stood at 8.76 percent, and in the first three months of 1985 reaching 0.18 percent.

In the monetary sector, the funds in rupiah or other foreign exchanges held by banks either state-owned or commercial totalled Rp.15.5 trillion by the end of 1984, 64.7 percent of which kept by the state-owned banks.

Concerning foreign exchange rates, the minister admitted the effect of foreign currencies particularly the U.S.dollar and others of Indonesia's trade partners on Indonesia rupiah was still great.

"To overcome the problems", said the minister, "the government would maintain the monetary policy which sticks to realistic exchange rates, notably aimed at maintaining the competitiveness of Indonesia's export goods on overseas markets, reducing incentives of imports, promoting home-made products, improving balances of payment and maintaining monetary stability".

CSO: 4200/1049

INDONESIA

AUSTRALIAN TRADE MINISTER DISCUSSES PROMOTION OF TRADE

Jakarta ANTARA NEWS BULLETIN in English 22 May 85 p A7

[Text]

Jakarta, May 22 (ANTARA).-- Australia was making continued efforts to increase access to its markets for Indonesian goods, the Australian Minister for Trade, John Dawkins, said Tuesday.

Dawkins, who is making a two-day visit to Indonesia, was speaking after a meeting with President Soeharto at Bina Graha (21 May).

"In discussions that explored the prospects for the future development of two-way trade between our two countries, I took the opportunity to discuss with President Soeharto the latest moves by the Australian Government to increase Indonesian access to the Australian market", Dawkins said.

This was happening he said as the Australian Government continued its efforts to restructure and revitalise key sectors of the Australian manufacturing industry.

"However, the Australian market as it stands already offers significant opportunities for Indonesian exporters.

"Of Indonesia's exports to Australia, 98 percent either enter duty free or at concessional rates of duty under Australia's developing country preferences scheme.

On textiles, clothing and footwear, an area of particular concern to Indonesia, the Australian import market is currently worth two billion dollars, yet Indonesia's share is only \$10 million.

This shows the opportunities are there for Indonesian exporters who are competitive and know the market, Dawkins added.

He also pointed out that the amount of the Australian market open to international suppliers had increased by 15 percent this year.

Special promotions.

Dawkins said that the Australian Government was continuing to fund special promotions in Australia for Indonesian goods.

A major textile and garment promotion featuring Indonesian fashions and models was presently in Australia visiting Sydney and Melbourne under this program, he said.

In addition, the minister said that there have been no quantitative import restrictions on plywood, since June 1983. Indonesian Ministers had a strong interest in developing plywood exports to Australia.



To assist Indonesia in marketing products of this type, the Australian Government had funded last March an Indonesian mission to Australia to promote Indonesian timber and timber products, Dawkins said.

Dawkins said that he and President Soeharto had discussed a proposal to have a study made of the long term prospects for trade between the two countries.

It was decided to encourage the Australian Indonesian Business Co-operation Committee and its Indonesian counterpart (DKSPIA) to look at this proposal and discuss it at their next meeting in Perth, Western Australia, next November.

Dawkins plans to attend the November meeting in Perth.

"I am also hopeful that Indonesia's Minister for Trade, Rachmat Saleh, will be able to visit Australia around that time", Dawkins added.

Dawkins said to President Soeharto that the Australian Government appreciated Indonesia's active support and participation in the regional consultative trade talks on multilateral trade issues aimed in particular at preparation for a new round of Multilateral Trade Negotiations (MTNs).

These talks provided significant opportunities to develop more productive regional and bilateral ties including examination of the scope for trade liberalisation both within and outside the region, Dawkins said.

Dawkins leaves Jakarta on May 21 for Singapore and Bangkok.

While in Jakarta he had discussions with Saleh, with Minister for Foreign Affairs, Dr. Moehtar Kusumaatmadja, with Co-ordinating Minister for Economic, Financial and Industrial Affairs, Ali Wardhana, and the Minister for Energy and Mining, Subroto.

He also addressed a luncheon meeting of the Australian business community in Jakarta.

Dawkins said his visit underlined the importance the Australian Government attached to its relations with the countries of ASEAN.

CSO: 4200/1049

INDONESIA

KEROSENE EXPORTS STARTED

Jakarta ANTARA NEWS BULLETIN in English 13 May 85 pp A1, A2

[Text]

Pekanbaru, May 12 (ANTARA).-- Indonesia has for the first time exported kerosene produced by the Pertamina oil refinery processing unit II in Dumai.

The first oil export totalling 200,000 barrels was loaded in Dumai harbour, Riau, on Saturday and Sunday.

The head of the oil refinery processing unit, R.S.Djunarto, told ANTARA Saturday that a British ship named the "British Fidelity" will bring 85,000 barrels to Singapore and the rest 115,000 barrels to Bangladesh. The oil was ordered by the "Permindo Oil Trading Company Hongkong" at the price of 32.45 US\$/barrel.

At present, the Pertamina oil refinery processing unit in Dumai produces around 40,000 barrels of oil per day from the old refinery unit (Putri Tujuh) and the new one (Hydrocracker).

Kerosene is one of the products processed in the Pertamina oil refinery in Dumai that has so far been marketed at home. After the Hydrocracker refinery was installed in 1984, the production of kerosene has increased to be twice as much.

With this kerosene export, the Pertamina refinery has exported two kinds of its products, after calcined coke as its first export.

CSO: 4200/1048

INDONESIA

AUSTRALIA TO INCREASE INVESTMENT, CONTINUE AID

Jakarta ANTARA NEWS BULLETIN in English 20 May 85 pp A9, A10

[Text]

Jakarta, May 20 (ANTARA).-- The Australian government intends to continue to help Indonesia through among others increasing Australian investments in this country and stepping up trade, Trade Minister Rachmat Saleh disclosed Monday.

Rachmat Saleh told reporters, after his talk with visiting Australian Trade Minister John Dawkins, that Australia also planned to go on with its economic aid to Indonesia through the Inter-Governmental Group on Indonesia (IGGI).

In the field of trade, Rachmat Saleh said, Indonesia hoped for wider access for Indonesian commodities into the Australian market. He said he had asked Dawkins to help the entrance of Indonesian textiles and plywood into the Australian market.

Indonesia has complained about the Australian system of global quota which restricts the volume of textiles Indonesia may export to Australia.

Indonesia also wants Australia to reduce the import duty it imposes on Indonesian plywood sold to that country.

In their talk Monday, Rachmat Saleh and Dawkins discussed possibilities for enhancement of two-way trade. They also talked about the proposed multilateral trade negotiations among the world's nations.

In recent years, Indonesia has suffered deficits in its annual trade balance with Australia. Rachmat Saleh said to redress this condition, Indonesia has to increase its exports of non-oil and non-gas commodities to that country.

In 1984, Indonesian export to Australia amounted to US\$275.18 million while its import from that country came to US\$372.02 million, giving a deficit of US\$96.84 million to Indonesia.

A year earlier, the export was US\$208.45 million while the import reached US\$402.28 million, giving Indonesia a deficit of US\$193.84 million.

CSO: 4200/1049

INDONESIA

OFFICIAL DISCUSSES ROLE OF OIL EARNINGS

Jakarta ANTARA NEWS BULLETIN in English 15 May 85 p A4

[Text]

Jakarta, May 15 (ANTARA).-- The role of oil and natural gas as source of government revenue to finance national development in the current Fourth Five-Year Development Plan (Repelita IV) would still be dominant though the effort to reduce dependence on them would be continued, a senior government officials said.

"From 60 to 70 percent of the government revenue would still be expected to come from the oil and natural gas sector", Ir. R. Soedarno Martosewojo, director general for oil and natural gas at the Mines and Energy Ministry said Tuesday.

He was speaking before a gathering of American businessmen engaged in operations in Indonesia.

Ir. Soedarno said he believed that the present pressure on the world oil market was only a temporary phenomenon. He believed on the basis of several available studies that by 1990 there would be a rise in demand for oil in the world.

By that year, he said, the oil production of non-OPEC oil producing countries would have reached its peak and then begins to decline. If additional demand for oil arises, it will be met by supplies from OPEC countries, including Indonesia.

Counting on such a prediction, Indonesia has been preparing itself by going ahead with the search for new oil sources and by encouraging a better atmosphere for joint ventures for the exploitation and exploration of oil.

According to Soedarno, in fiscal 1984-85, Indonesia earned US\$ 13.8 billion in foreign exchange from oil and natural gas, representing 69.6 percent of the total foreign exchange earning which amounted to US\$19.8 billion.

In fiscal 1988-89, Indonesia is expected to earn about US\$31.1 billion of foreign exchange and around 65.2 percent of this or US\$20.3 billion is predicted to come from oil and natural gas, the director general said.

Government income in rupiah, meanwhile, from the oil and natural gas sector in 1984-85 amounted to Rp.10.3 trillion or 63.9 per cent of the total rupiah income of the government that year which amounted to Rp. 16.1 trillion.

According to present estimate, in fiscal 1988-89, the rupiah income from oil and natural gas would amount to Rp.20.6 trillion, or 57.8 percent

of the total rupiah income of the government that year which would rise to Rp.35.6 trillion, according to Ir. Soedarno.

Up to now, according to Ir. Soedarno, 50 oil-bearing areas have been identified in Indonesia. Of this, 18 areas have been explored and of the explored areas 13 are now producing oil.

He thus believed that the possibility was still great for finding new oil sources in Indonesia in the future.

CSO: 4200/1048



INDONESIA

SUBROTO ON COAL MINING

Jakarta ANTARA NEWS BULLETIN in English 17 May 85 p A7

[Text]

Jakarta, May 17 (ANTARA).-- Coalmine business everywhere is still profitable if crude price does not fall to below US\$20 per barrel.

"We don't expect crude price will reach that level", says Minister of Mines and Energy Subroto at a meeting with the House Commission VI here Friday, discussing cooperation between the coalmine public corporation and foreign private contractors.

Coalmine will still be feasible if coal price reaches one third of the crude price, he said, adding that crude price stands at around US\$29 per barrel.

On coal price Subroto said that before World War II Indonesia produced two million tons of coal. This figure dropped to 1.46 million tons in 1984, and in 1985 the production is expected to reach 1.76 million tons.

He expected coal production will stand at three million tons in 1986 and ten million tons in 1990.

Subroto estimated that Indonesia's coalmine deposit is six times bigger than its crude reserve and nine times bigger than its gas reserve beneath its vast land.

"We need both foreign capital and technology in this field to exploit these natural sources", he added.

The minister also explained on cooperation with foreign contractors in this coalmine sector.

He said that Perum (public corporation) Batubara and Allied Indonesian Coalfield Pty. Ltd., Transfield Coal Pty Ltd from Australia and PT. Mitra Sakti from Indonesia will form PT. Allied Indo coal.

This contractor will operate a coalmine project in cooperation with Perum Tambang Batubara at Perambanan, West Sumatra on 844 hectares of field.

Other foreign contractors, Energy Mining Research/Services Organization (EMRO) and Tai Power from Taiwan will work a coalmine project in South Kalimantan on 150,300 ha of land.

CSO: 4200/1049

INDONESIA

COPRA MARKETING PROBLEM REPORTED

Jakarta ANTARA NEWS BULLETIN in English 21 May 85 pp A4, A5

[Text]

Palu, May 20 (ANTARA).-- There are 12,000 tons of copra in Banggai Regency, Central Sulawesi, now facing in critical situation because of the low demand for copra from the coconut-oil factories in Java.

The chairman of the Central Sulawesi Chamber of Commerce and Industries, Hanafi Jusuf, Sunday night told reporters here that unless the marketing problem is solved, the copra farmers would be affected. Moreover, farmers here depended much on copra.

He said that the marketing problem was caused by the inability of the oil coconut factories in Java to accept the copra from various regions. The copra output has been increasing as the result of the expansion of coconut plantations, intensification of coconut production process, the improvement of communication facilities and the role played by village cooperatives (KUD).

He said that consumers of coconut oil now remained 25 percent only and 75 percent had turned to palm oil.

To overcome the problem, Hanafi Jusuf considered it important that the government give a particular concession to the farmers to export their copra, though only on contemporary basis.

In this way, the farmers could improve their fate.

The copra output in Banggai regency now has sharply increased from 1000 tons to 4,000 tons each month.

KUDs here could only buy copra at 24,000 rupiahs per quintal. And this price is lower than the production cost.

CSO: 4200/1049

INDONESIA

PNG CRACKDOWN ON OPM MEMBERS REPORTED

Jakarta ANTARA NEWS BULLETIN in English 13 May 85 p A1

[Text]

Port Moresby, May 13 (ANTARA/AFP).- Security forces on the Papua New Guinea (PNG) side of the border with Indonesia have been conducting an operation against the Irian Jayan OPM independence movement.

A force of 200 soldiers and mobile squad police were engaged in the operation against suspected OPM camps in the Bewani area of West Sepik province.

The operation, initially described as "manoeuvres" and shrouded in a veil of secrecy, was authorized last week by the National Security Council headed by Prime Minister Michael Somare.

Tonnes of equipment and munitions, including mortars, were flown into Bewani before the crackdown.

An OPM group reportedly has been taking sanctuary near Bewani and one member was seen with an M-16 assault rifle.

The main aim was to arrest OPM guerrillas rather than engage them in combat.

The operation followed talks between PNG and Indonesian officials forming the border liaison committee.

The committee was set up to deal with border issues following the movement of more than 10,000 Irian Jayans into camps on the PNG side.

At times there has been considerable tension over Indonesian troops crossing into PNG territory in pursuit of OPM rebels.

The OPM is generally very poorly armed, relying almost entirely on jungle weapons such as bows and arrows and bush knives.

CSO: 4200/1048

3 July 1985

## INDONESIA

## OPM REBEL CAMPS IN PNG REPORTED DESTROYED

Jakarta ANTARA NEWS BULLETIN in English 15 May 85 p A1

[Text]

Port Moresby, May 15 (ANTARA/UPI).-- Defense Force Chief, Brig. Gen. Ken Noga, Tuesday said his troops had destroyed two guerrilla camps operating within Papua New Guinea territory.

The camps, belonging to the outlawed Free Papua Movement (OPM), had been used to conduct raids on Indonesian authorities in the neighboring Indonesian province of Irian Jaya, Noga said.

The Papua New Guinea government sent 200 troops and paramilitary police to the border region last week following air surveillance flights which located the guerrilla camps.

The OPM is seeking independence for Irian Jaya which was ceded to Indonesia by Holland in 1962 after a long period of intense diplomatic pressure by Indonesia.

"The operation has now been completed and the troops will now be returning to their bases", Noga said.

He said no guerrillas had been detained during the sweep and all the rebels had fled into thick jungle.

"Two rebel camps were destroyed", Noga said.

CSO: 4200/1048

INDONESIA

OFFICIAL ON IMPLEMENTATION OF COUNTER-PURCHASE POLICY

Jakarta ANTARA NEWS BULLETIN in English 22 May 85 p A7

[Text]

Jakarta, May 22 (ANTARA).— The value of counter purchase contracts with foreign suppliers signed by the Indonesian Government since January 1, 1982, up to the beginning of April 1985 had reached US\$ 1,318 million.

According to the spokesman of the Trade Department, the realization of counter purchase contracts has up to the present time reached US\$ 634.79 million.

The number of countries involved in counter trade with Indonesia has continued to increase, whereas previously a lot of countries were against the Indonesian counter purchase policy.

But thanks to explanation given by Indonesian government officials, they can understand and accept the Indonesian counter purchase policy. Twenty-two countries have up to the present time been involved in counter purchase contracts with Indonesia.

The 22 countries are : Japan, the United States, West Germany, Singapore, the Netherlands, Canada, South Korea, Britain, Romania, France, Hongkong, East Germany, Sweden, Australia, Malaysia, Italy, Austria, Panama, Mexico, Yugoslavia, Switzerland and Belgium.

Viewed from the value of counter purchase contracts already signed, West Germany ranks first with contracts worth US\$ 368.69 million.

The second position is occupied by Japan with contracts worth US\$ 283.22 million; followed by Canada, with contracts worth US\$ 92.66 million; Singapore, with contracts worth US\$ 76.54 million; and Britain, with contracts amounting to US\$ 64.03 million.

Among socialist countries taking part in counter purchase contracts with Indonesia, Romania occupies the first place viewed from the value of contracts, followed by East Germany and Yugoslavia. The value of contracts signed by Romania, East Germany and Yugoslavia has up to the present time reached US\$ 61.95 million, US\$ 11.70 million and US\$ 1.62 million respectively.

Indonesia's commodities exported under the counter purchase system comprise, among other things, palm oil, rubber, plywood, cacao, frozen shrimps, sawn timber, black pepper, frog legs, coffee and aluminium.

Goods supplied to the Indonesian Government based on the counter purchase system include train coaches, chemicals, coal mining equipment, fertilizer, buses, telecommunication instruments, power generators.



INDONESIA

ADB AID FOR ROAD REPAIR IN WEST NUSATENGARA

Jakarta ANTARA NEWS BULLETIN in English 23 May 85 p A1

[Text]

Mataram, May 22 (ANTARA).-- A 200.4 km long road in West Nusa Tenggara will be repaired this year and is estimated to cost Rp.20 billion. A loan from the Asian Development Bank will reach 45 percent of the total and the rest will come from the National State Budget and Revenue (APBN).

The implementation of the repair will be carried out in two phases. In the first phase it will repair a 82.9 km long road in Lombok Island this year, the second phase will be carried out in a 117.5 km long road in Sumbawa Island next year.

The project was expected to be completed in two years, according to the Project Manager of Road Construction and Development in West Nusa Tenggara, Eng. John Tolla, Wednesday.

The tender of the project was an international tender and it would be introduced to the province for the first time, John Tolla said.

CSO: 4200/1049

PHILIPPINES

COLUMNIST HITS FAILURE TO ADDRESS CAUSE OF CRISIS

Manila BULLETIN TODAY in English 6 May 85 p 6

[Commentary by Orlando F. Aquino: "The 'Kagitingan' Challenge"]

[Text]

**I**T is wrong to make a hero out of renegade priest Conrado Balweg. He is an ordained man of God who has turned his back on the Christian doctrine of "Love thy neighbor" and non-violence — of turning the other cheek, and throwing back bread in return for a stone cast.

But it is equally wrong to close our eyes to what turned him into a renegade. There must have been "very strong reasons" for his transformation. In all probability, these have their roots in the abuses and excesses, the unfulfilled promises and injustices committed by those holding the reins of power and authority — victims of which have increased through the years and whose cries for justice have risen in crescendo as little has been done about their complaints.

What is worse is that a number of the victims and those who have taken up the cudgels for them have even been branded as subversives — and sometimes charged in court and detained — unable to avail of rights granted them under the Constitution.

As Magr. Antonio Fortich of Bacolod City had recalled when he criticized the "iniquities" in Suglandia, "The trouble is, if you reveal these things, they will say you are trying to put down the country. I thought they would listen to us because of our mission

that puts us in contact with the people. But whenever we tell them of this discontent, they always answer: 'Everything is under control.'"

Since Magr. Fortich first aired his fears three years ago, conditions in Negros Occidental have deteriorated into the worst crisis in its history, now likened to a social volcano about to explode because the poor workers, many of whom are now jobless and hungry, are fast becoming politicized.

At nightly indoctrination sessions, these sugar workers are told: "Your father was a cane cutter. So was his father. And so will your sons and grandsons. Christianity will not improve your future."

Moved by the impact of those words pointing to their pitiful condition and stirred by the promise of a better life, it is understandable that these workers, whose education may not have gone beyond their ability to merely write their names, would no longer be content with just having a "good landlord and good pay" but would now be fighting for a cause.

It is sadder still to note that while the government is pooling all available resources to cope with the crisis, the leaders of the sugar industry continue to fight among themselves. It would be disastrous indeed if in the process,

they would be jeopardizing the government effort to save the industry.

We cannot help but relate the Negro-Occidental situation to what is happening to other critical areas of the country where, because of economic difficulties and lack of government responsiveness to the people's legitimate grievances, the peace and order situation has worsened.

In many parts of Mindanao, it has come to a point where disloyal forces, with support from misguided but militant organizations, have managed to even disrupt traffic on the national highways in a show of force that certainly does not speak well of the ability of constituted authorities to maintain peace and order.

In the cities of Davao, Iligan and Zamboanga, reports of killings, kidnappings and other acts of violence have become so common that they are no longer considered big news anymore; although concerned civic groups have appealed to the national leadership and other government

agencies involved in peace and order to deal more firmly with the growing anarchy and disorder.

Needless to say, constituted authorities must act judiciously and with restraint, ever aware of the rights of citizens, in maintaining peace and order. Only in that manner can they get the people to their side because then they would be true to their role as the protectors of the people.

It is in this spirit perhaps that today's "Arang Kagitingan" can be observed. For as we honor those who fought in the battlefields of Bataan and Corregidor as well as the mountain fastnesses of Bessang Pass in World War II, we must always remember that they did so in defense of freedom and democracy — a worthy legacy for the soldiers of today to live up to, if they are to be deserving of their calling and earn the respect and confidence of the public.

To do otherwise would not only be the height of hypocrisy but a desecration of those ideals enshrined in blood and sacrifice, and an insult to the Filipino people.

PHILIPPINES

'NATIONALIST' COLUMNIST ON FREEDOM FROM FOREIGN BENEFACTORS

Manila BULLETIN TODAY in English 6 May 85 p 7

[Commentary by A. O. Flores: "Positive Posture"]

[Text]

**G**OOD NEWS to fellow nationalists. I mean the announcement Mr. Marcos made last Thursday, when he expressed confidence that our own Armed Forces could take care of any threat to national security even if the United States government reduced its military assistance to the Philippines.

Such assurance is most welcome. More and more self-reliance can only mean one thing: more and more self-respect. The assurance would be complete if the Commander-in-Chief went out of his way to really purge the military of their bad eggs, no matter who gets hurt — the CHDF included.

This rare show of presidential bravura in the face of less American military aid would even be more remarkable if it were coupled with the candid admission that the cause of the current insurgency problem (that's the threat to national security) was economic and not ideological as the witch-hunters would have us believe. I for one believe the military

when they say that dissidence is largely to be found in economically depressed areas of the country. The appalling poverty in these areas is what makes them attractive to subversive elements. Make the countryside poor less vulnerable to communist blandishments and the military presence there won't even be needed.

I wish the national leadership would adopt the same self-reliant attitude towards our chief economic tormentor, which is the IMF. True, we have our so-called economic experts to blame for our colossal indebtedness, but we if mustered more confidence in our own capabilities and resources, we would not be as wretchedly captive to foreign creditors as we are today.

Continued dependency on so-called standby credits will never allow us to stand on our own feet. A presidential stance similar to that taken with regard to military matters would certainly improve the national bearing.

CSO: 4200/1045

PHILIPPINES

DAILY SUMMARIZES, PRAISES PRC AID

Manila BULLETIN TODAY in English 7 May 85 p 7

[Article by Dr. Soledad M. Cagampang de Castro]

[Text]

In July of 1979, the First Lady, while in China, was able to secure assurances from top Chinese leaders on their willingness to supply the Philippines with vitally-needed oil shipments to meet the country's energy requirements.

She also signed an ongoing cultural agreement providing for regular exchanges in the fields of culture, the arts, education and sports.

It is therefore no longer a rare opportunity for Filipino audiences to watch, for instance, Chinese acrobats perform, since there has been a steady influx of Chinese artists coming to Manila and elsewhere in the country.

Also during this 1979 visit, a long term trade agreement was signed, covering 1979 to 1988, with a total value of \$2 billion in import and export commodity.

Under the agreement, the Philippines will export to China 1 million metric tons of raw sugar, 400,000 to 700,000 metric tons of copper concentrates, and 300,000 to 500,000 metric tons of coconut oil.

The agreement will expire this December 31.

A fourth visit of the First Lady in 1983 saw the implementation of a commercial trade agreement where China would purchase 25,000 to 30,000 tons of Philippine coconut oil in exchange for 600,000 to 900,000 tons of crude oil.

The most recent visit of the First Lady to China in January 1984 was what proved most worthy of the two countries' friendship when the Chinese government, at a time of crisis in the Philippines, extended a direct credit of \$30 million and another \$20 million deposit agreement to help the Philippines tide itself over the crisis.

Moreover, Mrs. Marcos had also signed the first memorandum of understanding during that visit providing for a minimum of \$600 million trade target.

A second memorandum of agreement was signed during Foreign Minister Wu's visit to the Philippines to expand both countries' economic cooperation with the same target for 1988 at half a billion dollars.



It cannot be said, however, that Chinese hospitality had not been left unreciprocated.

For over the last 10 years, leaders in the top echelon of the Chinese government, aside from Foreign Minister Wu, have visited the Philippines and have been accorded with Filipino hospitality in turn.

Such visits of Chinese dignitaries as then Vice President (now President) Li Xianian in 1978, then Foreign Minister (now Vice Chairman) Huang Hua in 1980, and Premier Zhao Ziyang in 1981 have forged a special contact between the leadership of both countries. So much so that when one is in need, the other is only too willing to help out.

In his speech honoring Foreign Minister Wu during a state luncheon held at Malacanang, President Marcos cited the following instances when the Chinese lent a supportive hand to the Philippines:

— During the oil crisis, China supplied the Philippines with much-needed crude oil;

— At the height of the country's internal economic difficulties, China had waived better of

credit requirements, indicative of its confidence that the Philippines can solve its problems;

— At the onslaught of two powerful typhoons and the eruption of Mayon Volcano, China generously donated 1,000 metric tons of wheat for the victims.

It is on this basis which led President Marcos and Mrs. Marcos to express their heartfelt gratitude for the Chinese support to Foreign Minister Wu.

"It is always reassuring to know that you have friends when confronted with many problems," Mrs. Marcos said. "You too can be assured that the Philippines will not only remain beneficiaries of your support but will in turn be supportive of you."

And it is with this moral strength which friendly countries like China has given to the Philippines that has helped the country survive admirably in these recent crisis-hit years.

As the old saying goes, a friend in need is a friend indeed... Such may amply describe the ardent friendship between the Philippines and the People's Republic of China.

3 July 1985

## PHILIPPINES

## LEYTE SURVEY LISTS FIRST LADY AS PRESIDENTIAL CANDIDATE

Tacloban City EASTERN VISAYAS MAIL in English 28 Jan-3 Feb 85 pp 1, 3

[Text]

A confidential poll survey on local residents' preferences and choices among some presidential name aspirants is reportedly going on in this region and being conducted by a government agency close to the Leyte provincial governor's office. The confidential poll survey ordered includes the name of the First Lady Imelda Romualdez Marcos as a potential presidential aspirant, sources further disclosed.

The poll survey now ongoing was initiated supposedly to determine the individual status of each potential presidential timber with the voters, including the probable standing of the First Lady with the local residents.

These renewed reports came in the wake of the renewed speculations that there will be an early presidential elections called this year, inspite of formal denials issued by the administration's official circles.

However, it was pointed out by these sources that the poll survey going-on may not mean a confirmation of an early election since the surveys ordered are part of the usual activities undertaken to feel the real pulse and senti-

ments of the people residing in the countryside. It may just mean that the parties concerned wish to know the present standing of the First Lady with the region's voters.

A regional official in the agency directly under the First Lady also disclosed in relation to the reported poll survey that the KBL party and machinery in the rural areas are still that "strong", without adding any other details to his remarks.

Meanwhile, confidential sources reported that Leyte Governor Benjamin 'Kokoy' Romualdez personally wish very much that his elder sister would be nominated and run as standard bearer in the 1987 presidential elections. Gov. and Ambassador Romualdez' personal drive and efforts at getting the First Lady drafted are being stymied by the official discouragement of the idea by the US State Department and Kokoy's other contacts in the US government. It was reported further that US high officials are giving the 'cold-shoulder' treatment to this proposal to have the First Lady drafted as a presidential candidate.

PHILIPPINES

LEYTE PAPER CRITICIZES 'POWERFUL FAMILY', ANALYZES OPPOSITION

Tacloban City EASTERN VISAYAS MAIL in English 11-17 Feb 85 pp 2, 4

[Article by Ted Marcos in the column "The View From Tacloban": "Leyte's Political Clans Are Set To Fight It Out In '86"]

[Text]

The political pot in Leyte is a-boiling this early and it may hold some surprises yet for Leyteños grown cynical with the brazen and shameless manipulations by a cabal of political operators representing the interests of a powerful family to impose its political will and grand design over the province.

Though many quarters in Leyte feel that the opposition here may have the upper hand now and is in a great vantage point to give the local KBL a drubbing in 1986, all of these assessments are largely expressed in feelings and sentiments of the people generally, and still requires a channel or outlet to be directed towards political actions and the goal of changing the tides of political leadership in Leyte.

Aside from the required channel or the equivalent of an opposition political machinery, the current sentiments of the Leyte residents need symbols and rallying points to provide effective leadership in the opposition ranks and harness the diverse and many opposition elements into one united force.

How can these be brought about among the disparate, and *separate* ranks of the local opposition? By having one cohesive organization, (a unified political party is the ideal set-up), to direct and manage the affairs of the opposition ranks in Leyte is the easy answer. But it is not an easy one to achieve here, considering the present political equation existing in Leyte, we assure the political realists.

But to begin somewhere as a first step in the volatile discussion of bringing together all the opposition elements and sympathizers in Leyte under one umbrella or grouping, where do we propose to start?

Is it going to be the Leyte NPs led by a certain ex-judge Nuevo accredited by the discredited COMELEC as the sole recognized "opposition" party in Leyte. We hear a lot of groans around clearly, some *bellyaches* of a laugh, and many cynical smirks. So the idea is junked even before it is seriously proposed.

So, what remains? The PDP-Laban group in Leyte some observers say is ane-

mic and lacks fire and direction. To be fair with the group, what it lacks in numbers, is compensated with the members' dedication. But what it needs right now is a big dose of an organizational push to take-off. At the present rate, it is organizing and recruiting party adherents and leadership cadres, it will take the next 20 years or so just to overcome the KBL party machinery.

How about the provincial network of the former Liberal Party in Leyte then? One may ask initially, which Liberals the Salonga or Kalaw wings? To dispose of the obstacle posed in the last query, we hasten to add that the former Liberal party members in Leyte are formally and openly defected yet which party faction it is siding with. The added objection maybe interposed that the Opposition Liberals in Leyte are now Kokoy's liberals and covert infiltrators. So, what remains? the question is asked again.

As a final word on the local Liberal party town leaderships who were recruited by Kokoy's camp openly or covertly, they are known and identified openly in each Leyte town, and not all the party's local directorate members "defected."

Somehow we have pointed out the need to have one party or organization to bring together all the opposition ranks to work for a common goal - the dismantling of the structures of the autocratic political leadership in the province and its substitution with the more de-

mocratic system of a functioning two-party or multi-party system. In short, a system of democratic political pluralism which admits of the need for open debate and consensus among the contending interests of the political factions and the people.

Which is a far cry indeed from the present overwhelming domination of one family and interests, and the current nearly closed and autocratic system of political decision-making by one political powerful individual who executes his will thru a select cabal and one individual resembling the shadows of a Rasputin.

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There are really top officials from Leyte, and well-connected, who are that thick-skinned, with no sense of personal shame. They make decisions and act in their respective offices with impunity as if they are answerable to themselves solely. These high officials only claim to glory is that they are unscrupulous and that they have powerful connections with the powers that be in Leyte. These political ties they use readily and without a finger trembling to cow people into silence and to avoid the public's glare into their anomalous business transactions and actuations. In their own right, they are nothing personally and politically. You ask them to submit themselves to an election or choice of the people, they would not even win a seat in their own barangay council.

Those concerned high officials consider the government and its agencies as their *business partners* or their private preserve which must follow their whims and every wish. Or in the language of the place - *Baga hin mga kabakas*. They use government facilities and vehicles, even dumptrucks and heavy equipment for their own personal projects and businesses and for their own profit as if there is no words as public accountability. They are even called as the willful *sons of the government*.

Some regional officials and other minor functionaries may grumble and complain in private about the misdoings and arrogant self-aggrandizing ways of these concerned high officials but they have really no balls to stand-up to the illegal wishes of these new tyrants in Leyte's public life.

But these officials of regional agencies who accede to the improper and illegal desires of these new *Rasputins* in our midst for their own profit and benefit, or for some other reasons have another think coming. They will not be spared from the later accounting to be done when the political winds change. And it will be them mostly who will face the music, since their lords and patrons will have suddenly flown the coop and live comfortably in foreign mansions with their illegally amassed wealth.

PHILIPPINES

RIVALRY BETWEEN ROMUALDEZ, OTHER LEYTE CLANS ANALYZED

Tacloban City EASTERN VISAYAS MAIL in English 25 Feb-3 Mar 85 pp 2, 3

[Article by Ted Marcos in the "The View From Tacloban" column: "On Leyte's Political Clans Again and a Probable Scenario for 1986"]

[Text]

Now that local political pots in Leyte are stirring, the question comes naturally to who will lead the opposition forces in the province to face the formidable personal machinery set-up by Gov. Benjamin "Kokoy" T. Romualdez?

We have pointed out previously that the opposition ranks in Leyte needs one unified organization to harness all the diverse elements into a functioning party machinery in order to realize their dream of political changes, or at least to give Kokoy's candidates a run for their money in the coming local elections.

But this need for one unified party organization can come later, or be a natural result of an effective leadership group rising in the ranks of the opposition. With a strong and effective leadership, a unified organization for the opposition will come in place.

Before we point out the possible leadership groups which may, and can, naturally gravitate to the opposition, there is a need to analyze briefly the nature of Leyte's politics.

The political battle lines in Leyte do not follow the classical two-party lines but adhere to family or clan politics. Ever since American-style political contests were introduced into Leyte, the political drawing lines always followed the politically dominant families in Leyte, and eventually in the capital center of Tacloban. Up to this time, Leyteños do not talk of who is KBL, who is UNIDO or Liberal, but who are the men of the Velosos, the Mates, the Cincos, and now the Romualdezes, etc. . .

It is thru these *families-clans* set-up in the present structures of political power and leadership that political patronage is dispensed and favors given, some workable accommodations and arrangements worked out, and a network of partisans and loyal men are placed in key positions to provide further patronage and political control so on down the line. These are present realities in the province political life which political parties can ignore at their own peril.

Presently, the KBL party leadership group in

the province can be likened to a smoldering boiler about to explode anytime in the face of anyone trying to hold it.

Some recent signs surfaced to highlight the ongoing tensions and conflict among the almost monolithic group. The province's assemblymen are chafing under Kokoy's virtual total control and complained that they are not even consulted by the party's leadership in any political decision reached affecting them.

The equally politically-minded and potent Veloso clan is weary of, and smarting from playing second fiddle to any political plan or wish of Gov. Romualdez for Leyte. The Mate family is ready to rebel over the choice of the city mayoralty candidate for Tacloban City and is insisting on the incumbent City Vice Mayor Uldarico Mate.

The grand patriarch of the Mate clan, Assemblyman Artemio Mate, was heard to remark on the query on who will be the next KBL candidate for Tacloban mayor, that it is time now ("oras na") for his younger brother, the incumbent vice-mayor, to be the standard bearer.

He sounded firm on this personal decision reached as a party leader for the 1st district ("Waray na gad iba," he said in the dialect). Assemblyman Mate then caused the release of a statement that he and the other assemblymen of Leyte are thinking of resignation from the KBL if and when Gov. Romualdez do not assume his seat as assemblyman-elect by June this year. So on this particular point of who will decide the choice of the mayoralty candidate, the Mate clan is im-

movable. And the hand-pick choice in the city mayoralty bet is only part of the demands of the insistent Assemblymen Mate. He also wants to be the final arbiter of the KBL mayoralty bets in the other towns of Leyte's 1st congressional district of which he is the acknowledged representative and leader.

Only this week, Assemblyman Alberto Veloso was smarting and felt belittled by the act of the KBL regional party whip of recommending somebody else to be the deputy minister of labor and employment, instead of Veloso who is considered eminently qualified for the post. And he further considered that the post should have been his as part of his reward for being a loyal KBL man until this time. The other Leyte assemblymen, especially Assemblyman Mate, backed Veloso on this demand. They believed rightly or wrongly that Gov. Romualdez was responsible for blocking the nomination of Assemblyman Veloso as the deputy minister for labor.

It was reported that Assemblyman Mate called-up Veloso immediately after the political snub of not being appointed by the President to the labor post and proposed that Veloso run for the Leyte governorship and himself (Mate) for Mayor of Tacloban just to spite Kokoy and to prepare for a showdown. But things were patched up later by other KBL party leaders, and Veloso eventually got the mostly ceremonial post. But then the damage and hurt were already done.

We have dealt in detail on these reported cracks in the armor of the KBL in Leyte just to point out the



present marriage of convenience of the titans of the political clans in Leyte and their temporary submission to the dictates of one dominant personality. They can as well terminate anytime this *marriage of convenience* and decide to blaze their own political trail and future.

Now this possible scenario: That the potent Veloso clan, represented not only by incumbent Assemblyman Alberto Veloso but by former majority floor leader and Intermediate Appellate Court Justice Marcelino Veloso, the Mates, and then the Montejo group decide just conveniently to fuse together and provide the leadership group to the present anemic opposition leadership ranks and to decide another political destiny for themselves.

Then the formidable bulldozer machinery of Kokoy can just as well be found in the junkyard afterwards.

It is the observation and comment of concerned residents of Leyte that the Leyte assemblymen only find the occasion to openly denounce and speak clearly and candidly about the present oppressive set-up in the province when their particular political interests and egos are bruised. Can these Leyte assemblymen be so daring and unafraid to take the floor in the Batasan halls to speak in defense of the interests of small and ordinary Leyteños? With bated breath yet, people of Leyte can only wait and see.

PHILIPPINES

RICE MILLERS LODGE COMPLAINT AGAINST MFA

Manila BULLETIN TODAY in English 6 May 85 p 14

[Text]

**GENERAL TRIAS, Cavite** — The members of the Cavite Rice Millers Association have complained against some National Food Authority (NFA) officials for inconsistencies and for breaking their own rules on the establishment of new rice mills.

It was reported that the NFA head office has issued a license to one Mrs. Nocon who constructed a rice mill in Barangay Pacong Camachila, Gen. Trias, Cavite, although the permit for its construction was disapproved by the NFA provincial and regional managers on the ground that said barangay is already saturated with three existing ones and is closed to new rice mills.

Sources said Mrs. Nocon built the rice mill although a "cease and desist order" was issued by the NFA provincial manager which was sustained by the regional manager.

After Mrs. Nocon finished the rice mill, the head office issued a license to operate on the ground that "it would be a pity if the same was not allowed to operate considering the investment." Sources said this is a complete turn-

around on the part of the NFA officials.

After a week from approval of Nocon's rice mill, another Mrs. Saria started preparing her lot adjacent to Mrs. Nocon to build a rice mill. Her application to construct the mill, which was filed even ahead of Mrs. Nocon, was likewise disapproved by the NFA provincial and regional managers.

"Under mysterious circumstances," sources said, "the NFA head office struck again and reversed its provincial and regional managers and issued a permit to Mrs. Saria."

"These NFA inconsistencies and complete disregard of the rules it had promulgated are endangering viability of existing rice mills," sources added.

The permit to Mrs. Saria was issued by the NFA amid assurances that no more new rice mills would be allowed in the same barangay after Mrs. Nocon," the sources added.

"What are the rules for if they can not be followed," the millers said. "The NFA inconsistencies are causing confusion in the industry," it was added.

This turn of events is unfortunate considering that there are other places in Cavite which are open to new rice mills, sources said.

3 July 1985

## PHILIPPINES

## INDUSTRIES LOSING SALES BY 'SUBSTANTIAL LEVELS'

Manila BULLETIN TODAY in English 6 May 85 p 21

[Text]

First quarter sales of many industries have dropped by substantial levels owing to depressed market demand, Felix Maramba, president of the Philippine Chamber of Commerce and Industries, said late last week.

He said the passenger car market has shrunk by 80 percent while sales of appliances dropped by 40 to 60 percent depending on the kind of appliances being sold.

Sales of food industries also declined substantially but he failed to cite the percentage drop in reduction.

Maramba said the domestic market for different industries

has shrunk by about 30 percent mainly because of a big drop in the disposable income of people.

As a result of the sluggish sales, he said many industries still have high inventories both of raw materials and finished products.

The prices of different types of appliances, for example, are now cheaper because many appliance companies with high inventories want to unload their products, he said.

Maramba said many industries will continue to experience small demand for foreign exchange until their high level of product and raw material inventories are reduced.

The PCCI chief said the most promising sector to invest in is agriculture where every peso of investments is expected to yield higher returns than investments in other industries.

Maramba also said that many companies are still very reluctant to borrow money from the banks because they cannot afford to pay the prevailing high interest rates.

He also pointed out that companies who obtain their foreign exchange requirements to finance their raw material importation often buy their dollars from the blackmarket at cheaper prices than those offered by commercial banks.

CSO: 4200/1045

3 July 1985

## PHILIPPINES

## CREDITORS AGREE ON PLANTERS PRODUCTS BAIL OUT

Manila BULLETIN TODAY in English 8 May 85 pp 19, 21

[Article by Loreto Cabanes]

[Text]

Creditors of Planters Products Inc. (PPI), in a dramatic show of support to their beleaguered client of long standing, agreed last week on a scheme that will enable the big fertilizer manufacturing company to resume operations immediately and pave the way for its eventual rehabilitation.

But the plan agreed upon by the creditors asked the government to do its share to make the rehabilitation program succeed. The creditors have made it plain that they would endorse a rehabilitation plan for PPI only if the government authorities "satisfy" the subsidy claims of the company amounting to P335 million.

Sources said that the government, upon verification by the Commission on Audit, has agreed to make subsidy payments to the fertilizer company amounting to P229 million. The

balance, *Bulletin Today* learned, is to be paid before October 'this year.

The government is also being asked by the creditors to fund its equity share which has remained unfunded since shares of Planters Products amounting to P240 million were distributed to farmers in 1972.

At a meeting last Friday, the trust receipt creditors and general creditors of PPI agreed that the seized and attached fertilizer stocks and agricultural chemicals are owned legally by the trust receipt creditors.

Under the agreement, the fertilizer company was appointed by the trust receipt creditors to sell and dispose of the garnished fertilizer stocks and chemicals valued at some P208 million.

The trust receipt creditors include CityTrust Banking Corp., Insular Bank

of Asia and America, Rizal Commercial Banking Corp., Interbank, Standard Chartered, and Metropolitan Bank.

Cesar Querubin, executive vice president, of CityTrust, who chairs the group of trust receipt creditors, said his group will specify the procedures for the sale of the fertilizer of chemicals for cash or other acceptable mode of payments by PPI.

The proceeds from such sale may be used by the fertilizer company to open new import letters of credits for the purchase of fertilizer and agricultural chemicals of equivalent amount for a 290-day trust receipt cycle.

In effect, the PPI can open two letters of credit in amounts not exceeding P306 million. This credit accommodation is part of the P400 million trade credits promised by the trust receipt creditors to help PPI normalize its trade transactions with its suppliers.

The general creditors, composed of Manufacturer Hanover Trust of New York, Barclays Bank, Rainier Bank, Societe Generale of Paris, and Lloyds

Bank International, have recognized that the seized and attached fertilizer stocks and agricultural chemicals of PPI legally belong to the trust creditors.

They agreed to the sale of those attached goods, as per agreement between the trust receipts creditors and PPI, provided that no sale is made on or before May 14, the date when the creditors of the fertilizer company will meet with the Securities and Exchange Commission on the petition filed by PPI for suspension of payments to creditors.

The agreement was held significant because it was regarded as a "satisfactory solution" by all creditors to the financial problem plaguing PPI.

Foreign creditors of PPI, who are also members of the bank syndicate which is going to extend new money of \$925 million to the Philippines, have reportedly intimated that a "satisfactory solution" of the PPI problem was needed to be reached before the scheduled signing of the new loan facility on May 20.

PHILIPPINES

PAROCHIAL WORK OF 'REBEL PRIEST' PROFILED

Manila BULLETIN TODAY in English 9 May 85 p 5

[Article by A. O. Flores: "A Rebel of the Cloth"]

[Text]

**H**E may not be a "renegade priest" as Fr. Conrad Balweg is described, but he, too, is a "rebel priest." His rebellion consists chiefly in his advocacy of the Basic Christian Communities (BCC) movement, which is in essence a version of the "Theology of Liberation" on a parochial scale.

As chaplain and later as the first parish priest of the Parish of the Holy Sacrifice in Diliman, Quezon City, Fr. Manuel G. Gabriel strived to make a go of the BCC in the intellectual community that is the University of the Philippines which is, as everybody knows, traditionally wary of, if not resistant to, the preachings of any "old-time religion."

But Father Manny (like his predecessors) preached not only in

word but also, and more so, in deed. Seldom was he to be found in his rectory when he was not saying mass. Most of the time he was out there in the hills, or, field sowing BCC seeds among the less fortunate (O yes, UP-Diliman has its goodly share of the so-called urban poor). His thrust, rather, the BCC thrust is as simple as it is forceful: those who have been impoverished by justice or any such adverse circumstance may liberate themselves from their physical poverty by drawing constantly from the richness of a spiritual life.

Of course that is easier said than done. So, Father Manny had to sow the same BCC seeds among the better-off parishioners who might yet discard the myth that intellectuality is incompatible with spirituality. Even the

student activists on campus, while not openly aligning themselves with the BCC movement, have become tacit allies of Father Manny. (The youthful radicals have dropped "clerico" from "facista" in their battle cry against the forces of imperialism.)

Mostly for his eight years of pioneering work along the BCC front, Fr. Manuel G. Gabriel is, today, May 8, being invested with the title "Monsignor" (or Pontifical Chaplain) about four in the afternoon, at the Catholic chapel of the University of the Philippines in Diliman, Q.C. At present he is on special detail with the Archbishop of Manila, another "rebel prelate," His Eminence Jaime Cardinal Sin, who will be presiding at the investiture.

Verily, not all rebels are to be found in the bunkers.

CSO: 4200/1045



PHILIPPINES

FACT-FINDING TEAM REPORTS CIVILIANS KILLED BY MILITARY

Cebu City VISAYAN HERALD in English 6 May 85 p 9

[Report by a Fact Finding Team from Eastern Samar participated by members of the Visayas Ecumenical Movement for Justice and Peace (VEMJP), Task Force Detainees (TFD) and a correspondent of Veritas Magazine.]

[Text]

On February 20, 1985 at around 3:00 PM, eleven soldiers arrived in Barangay Canyupay, Eastern Samar under the command of Lt. Labrador. He was identified through his nameplate. The said group of uniformed soldiers came via Barangay Cabalog-nan. They were believed to be the 341st IB Philippine Army assigned in Barangay Camada, Borongan, Eastern Samar.

Upon the soldiers' arrival, they started firing their guns, directed mostly at the nipa huts; some eleven of these houses were hit, destroying all the properties inside. The strafing, though intermittent, lasted for about 30 minutes.

The soldiers burned one house, a little distant from the cluster of houses and left towards the direction of Gindalitan, a neighboring barrio.

The following day, February 21, 1985 at around 12:15 PM, the same group of soldiers returned to Barangay Canyupay, reinforced by some 20 soldiers. Lt. Labrador and Sgt. Tarayao had to take off their uniform knowing that some civilians could read their nameplates. They saw some youths playing basketball at pla-

za Canyupay. When approached by these uniformed men, the youths immediately scampered away.

Lutensa strafing commenced this time, armalites (M16) and grenade launchers (M-203) were used by the military. All poor residences were hit.

Rogello Opaude, 23 and his wife Fe Opanda, went out upon hearing gunshots carrying her four year old son, Rolando Opando. Rolando was hit on his left thigh.

A lone man, Victorino Quirante, 65 and married was also killed during the strafing.

Two soldiers proceeded to the house of the barangay captain. At a distance of 2 arms length, approximately 3 meters, the two soldiers fired their armalites (M-16) killing instantly the Barangay Captain Arnella Odang, her husband Simplicio Odang and their 6 year-old daughter. The barangay captain Arnella Odang was eight months pregnant.

Before leaving the area, the military men ordered the barrio folks to produce a shovel and find a place where they could bury the family of the barangay

captain. The barrio folks buried the corpses of the family near the school building while Victorino was buried near his house. Not satisfied, the soldiers looted the things from the houses before abandoning the barrio, at around 4:00 PM. They headed towards the direction of Camade where their detachment is located.

CSO: 4200/1047

PHILIPPINES

VER LINKED TO EX-SOLON'S PRIVATE ARMY

Cebu City VISAYAN HERALD in English 7 May 85 pp 1, 4

[Article by Letty Suico]

[Text]

Bogo Mayor Celestino Martinez yesterday sent an inquiry to Acting Chief of Staff Lt. Gen. Fidel Ramos on the authenticity and life span of a "special mission" supposedly issued by Gen. Fabian C. Ver to former congressman Ramon Durano sometime in 1982 from which strength of authority the ex-congressman also issued mission orders to his men thereby sowing undue terror among private citizens.

In his letter to Gen. Ramos (copy of which was furnished this office) Martinez declared that the "ex-solon's indiscriminate granting of mission orders (which authority generates from the special mission supposedly issued by Gen. Ver) even to persons of dubious character, which in effect constitute offhanded though uncalled for routine transactions, has naturally raised serious questions on the part of both civilian authorities and our plain ordinary constituents in this part of the province."

Martinez went on: "this is the reason why constabulary and police officers seem powerless to challenge some group of heavily armed men because of the supposed authority granted by the ex-congressman, adding that "we

feel helpless with the menacing presence of virtually a private army in our midst; we are deeply apprehensive that our search for peace and order cannot be achieved if this blatant practice should be tolerated."

He also brought to the attention of Gen. Ramos the arrest of one Perfecto Arreglo Dy Jr. by elements of RUC 7 for illegal possession of firearms including an affidavit regarding the apprehension where four men of RUC 7 stationed at Camp Lapu-Lapu in Lahug, Cebu City, apprehended during their Inspection Checkpoint on March 25, a car which contained in its baggage compartment one M 16 armalite rifle 5.56 mm caliber with one long and short magazine containing forty eight (48) live ammunition, one pistol 45 caliber colt commander with one magazine containing six live ammunitions and one 18-inches bolo. It was ported that when the members of the team inquired for corresponding papers of the firearms, they learned that the owner was Perfecto Dy y Arreglo of Binabag, Bogo, Cebu, and a Mission Order dated June 15, 1983 and Oct. 11 1984, respectively, and a letter dated Oct. 3, 1984 (in form of certification) duly

signed by Congressman Ramon Durano and xerox copy of a handwritten note dated Oct. 20, 1982 signed by Gen. Fabian C. Ver, Chief of Staff and NISA director.

The affidavit of the arresting men maintained that Dy was turned over to the headquarters of Cebu Metrodiscom for investigation and disposition and the firearms were deposited to RUC supply room.

In his letter, Martinez claimed that to the best of his knowledge, and information, "the complaint against Dy has suppressed by reason of the intervention of the said politician, thus no prosecution has been actively undertaken."

Dy, he said is a bigtime illegal "masio bookie operator based in Bogo. He was previously apprehended also but released by reason of his undertaking to desist from repeating the same, but according to Martinez, he has not made good his undertaking and that his operations cover the greater part of the whole of northern Cebu.

The Bogo mayor also mentioned in his letter to Gen. Ramos that a notorious ex-convict on parole named Vicente N. Barrosa Inting Waray under the employ of Dy carries a sidearm covered by the same authority from ex-congressman Durano. (LS)

PHILIPPINES

DAILY EXPLORES LEGAL OPTIONS IN DEBT REPUDIATION

Manila BULLETIN TODAY in English 6 May 85 pp 7, 17

[Article by Dr. Soledad M. Cagampang de Castro: "Can a New Regime Repudiate Foreign Debts Incurred by the Marcos Government?"]

[Text]

**T**HE country's massive exposure to foreign debts will surely be a major problem confronting any regime after the Marcos era. In the wake of impending political change in the Philippines, foreign lenders will have to ask themselves — will a new regime honor the indebtedness incurred by the past administration in the name of the Republic of the Philippines? An evaluation of the political milieu will seriously influence any decision of foreign lending institutions on the question of whether or not they should insist on repayment according to existing loan agreements, or increase their exposure by way of additional loans or restructuring of past due debts to enable the Philippine government to tide over the present economic crisis.

Where foreign lenders believe that recovery will be difficult or impossible by reason of possible repudiation of such foreign debts, chances are, as a matter of business expediency, they will have to avail of existing legal remedies,

even with intervention, diplomatic or otherwise, of the creditor's home states, to enforce payment of debts. That would mean, the exposure of government property to becoming acquired assets of foreign lenders either on the basis of direct government borrowing or by reason of government guarantees extended to foreign loans of private entities. Such an anomalous situation is not a remote possibility. For the present, we are witness to the so-called "IMF conditions" to which economic policies must conform but which to many of us are as vague as ever, being classified as secret information for reasons of national security.

Can a new regime in the Philippines repudiate foreign debts incurred by the Marcos government? This issue relates to legal authority or justification rather than political expediency. One may refer to the Drago doctrine formulated by Dr. Drago of Argentina who proclaimed that the capitalist who lends money to a foreign state always

considers the resources of the country with which he negotiates and because of the risks involved, he may place onerous conditions to the granting of the loan. One lending money takes into account the value of the security, the stability of the debtor government, the credit of the debtor government and many other factors before entering into the bargain. The lender is fully cognizant of the fact that the entity with whom he contracts the loan is sovereign, that the payment may be refused or the debt reduced by sovereign act, the usual civil remedies open to lenders are barred as against a sovereign and that the state is the sole judge of its ability to pay. Thus, Drage through it unfair to the people of the debtor government as well as to the people of the government of the foreign creditor to make such a voluntary contract which the alien had entered into with his eyes wide open, the subject of armed political action involving whole nations, thus in effect making the government of the alien speculator the guarantor of its citizens bonded investment.

Perhaps, a new regime should not adopt a measure as drastic as the Dragasian formula. However, a total unqualified acceptance of the entire indebtedness in the name of the Republic under the Marcos regime would not be justified either. Neither is a total repudiation. An acceptable formula should allow the new regime to evaluate and determine what part of the debt went to actual development that benefited the country and its people, and what part went somewhere else. It is unfair for the entire nation and the people to bear the entire

burden caused by the mismanagement of a past administration. A sovereign debtor is peculiar in the sense that it relies on the capacity of the people and the national resources to meet its commitment to pay. Thus, what should be paid for by the people should have value to them. As Drage aptly argues, a foreign lender lending to a sovereign government should know the risk of political change, particularly where the debtor is a country of the third world category where government structures are still fluid and subject to change.

Foreign lenders will argue, that it had nothing to do with how the money was finally disbursed and that it had no control over the funds after it was released. The same argument goes for the people upon whom the burden of the repayment lies. The people did not have any control on how the money was spent. Mismanagement of funds is the responsibility of those who run the government. It is then who should be accountable and responsible. Besides, foreign lenders have better remedies available to them such as locating the moneys or assets and recovering from those responsible for diversion of funds, such being funds held in trust or remaining as trust funds regardless of the nature of substance or place where these may be found.

This legal issue may be ventilated in a foreign forum of international character. But whether or not the regime is but a continuation of the old or an entirely new one, it will have to tackle the problem of foreign debt of the Philippines. It is a stark reality — one that will remain so for a long time.



PHILIPPINES

EDITORIAL URGES QUICK SOLUTION TO NUCLEAR PLANT ISSUE

Manila PHILIPPINES DAILY EXPRESS in English 9 May 85 p 4

[Editorial: "Losses From Nuke Plant"]

[Text] **I**T IS imperative that the controversy over the nuclear power plant in Morong, Batam be resolved as soon as possible.

After investing some \$2.1 billion in the project, the government cannot afford to allow the plant to be idle while paying interests and other costs of maintenance. The National Power Corporation, operator of the nuclear plant, says \$355,000 is being lost for every day of delay in the operation.

Clearly, something has to be done fast to remedy the situation.

But this is easier said than done. The number of oppositors to the nuclear plant are apparently increasing. And they include prominent political, civic and religious leaders, lawyers and other professionals. The other day, some 2,000 farmers, scientists and health professionals demonstrated in front of the Philippine Atomic Energy Commission in Queson City. The oppositors are becoming more and more adamant in their stand. Now, the oppositors want to expand the coverage of the public hearings to be conducted by the PAEC to include not only the safety of the nuclear plant but also economic

viability, site safety, peace and order situation and other safety equipment.

If the demand of the oppositors is granted, the public hearings could take a long time and could adversely affect the government's finances. It is obvious that the intention of the oppositors is to delay or stop, if that is possible, the operation of the nuclear plant. It would be a victory for the opposition and a great financial debacle for the administration.

The oppositors did not even want to believe a statement made by Dr. Martin Rosen, chief of the safety division of the International Atomic Energy Agency, that the Batam nuclear plant is safe to operate. They even said that the PAEC is not competent to judge the safety of the nuclear power plant. It appears that they are not about to believe any agency or expert who attests to the safety of the plant.

And now, the Supreme Court has stopped the PAEC from proceeding with the public hearings as it decided to hear the petitions of the oppositors questioning the competence of the PAEC. This means another delay in the operation of the plant and more losses for the government.

CSO: 4200/1045

3 July 1985

## PHILIPPINES

## BRIEFS

FIRST LADY RELIGIOUS ACTIVITY--The First Lady, Mrs. Imelda R. Marcos, received an award of recognition and appreciation from Supreme Bishop Abdias de la Cruz of the Philippine Independent Church during the 125th birth anniversary of its founder, Gregorio L. Aglipay. The award is for the First Lady's national shrine for Aglipay, thereby perpetuating his stature as a 'religious reformer in the Philippines.' [caption] [Manila BULLETIN TODAY in English 6 May 85 p 1]

VALENCIA ON MARTIAL LAW--FM REJECTS BID FOR MARTIAL LAW--headline. There is no need for that, he said. The suspension of the writ of habeas corpus and the application of the PDA will be enough, he added. In other words, we will continue with martial law without the formal declaration. Only the rebels will feel it but the ordinary citizens will be allowed to go about their businesses unhampered by the strictures of martial law. The first time around, it was necessary to declare martial law. After that, we just keep martial law for those who need to be treated differently from the peaceful ones. This is the easy interpretation of that policy. This milder martial law does not rule out the declaration of the real martial law if it becomes necessary. That's my own interpretation, not the official's. [Teodoro F. Valencia] [Text] [Manila PHILIPPINES DAILY EXPRESS in English 6 May 85 p 4]

CSO: 4200/1045

THAILAND

COLUMNIST CLAIMS LOSS OF THAI INDEPENDENCE TO U.S.

Bangkok THAI RAT in Thai 15 Feb 85 p 3

[Column by Mangkon Halep: "Where is the Nation's Independence"]

[Text] You thinking readers who are a bit nationalistic, did you ever feel proud of our independence?

I am the kind of person who pulls up my chest to sing, "This land where my father lives, where my grandfather died; I would be ashamed if our enemies can come in to claim victory."

I then must be concerned about and protective of the independence of the nation, which has never been a slave to anybody both in its action and in its thoughts.

But today I am becoming very doubtful and would like to know what the independence of the Thai nation really looks like.

In New Zealand, that island, they have independence, and they are proud of themselves and are respectable. New Zealanders have a definite stance in their antinuclear campaign in all its shapes and forms.

They absolutely refused to let any U.S. ship that is nuclear-powered to make a call at their ports.

The United States feels a great pang of pain, as if a piece of sharp wood has pierced its heart, but it does not know how to get that piece of wood out. When there was a joint exercise with Australia and New Zealand, the United States immediately showed its rejected feelings by announcing its withdrawal from the exercise.

This is in spite of the fact that they are all members of ANZUS.

New Zealand has lost quite a bit of face. It knew full well why the United States began to find reason to quarrel. New Zealand could immediately anticipate its future moves. Soon the United States would cut off military assistance.

The New Zealanders' government went out to inform the people immediately that for the sake of the independence of their dear nation, they would

follow the policy that had been set down, that is, the antinuclear policy. It would not associate with nuclear powers, no matter how much hardship it would run into or how poor the country would become.

The dignity of a really independent nation like this is something to be proud of. Thailand, our dear country, has long been independent (de jure, that is), but in the de facto sense, I am beginning to doubt.

I am going to tell you that the pitiful status of Thailand is as follows. Thailand has two airlines. One airline flies out of the country; the other flies domestically. One day, one airline of Thailand decided to buy the Airbus A.300-600 from the Common Market, with England, France and West Germany as the core countries. These airbuses are said to be convenient and economical.

But "our masters" overseas did not want us to buy airbuses. They are producers of the Boeing 777. (Any airplane may crash; don't be too proud in thinking that one's airplanes are far better than anybody else's.) They wanted Thailand to use Boeings for all its needs. This time they all came, both traders and the government sector's officials. They came to put pressure here a little bit, and to put pressure there a little, so that we were almost squeezed out--all this pressure to get us to use Boeings.

I feel that we have lost our independence if we operate under the instructions of these traders who sell this type of airplane.

My country Thailand has been under the influence of this white skinned foreign nation for a long time. On a good day it would send advisors to give advice on how to plant rice even though they had never known rice paddies before. When they learned everything, they returned with my country's best rice varieties, which they then planted in their country; they produced rice for sale in competition with Thai rice, and they beat Thai rice badly.

Why is it that Thailand has no right to decide for itself to buy whatever kind of airplane it wants--if we like it, and if we feel that it is economical and useful, without having to be considerate of any blue-eyed white nation, without having to care a damn about that nation--just like New Zealand, which banned all nuclear-armed ships from calling at its ports?

Let me really ask you this: does Thailand have independence today, or has it become their colony?

12282

CSO: 4207/186

THAILAND

COLUMNIST ON U.S.-THAI TEXTILE DISPUTE

Bangkok BAN MUANG in Thai 19 Feb 85 p 5

[Ta Mo Lo Column: "The Evil U.S. is Brazenly Squeezing Thai Goods"]

[Text] Thailand and the United States are locked in a dispute over Thai exports to the United States. The United States is using all its power to obstruct Thai exports.

The latest issue of KAN NGON THANAKAN [FINANCE AND BANKING] magazine for the month of February reports that "the U.S. government went on stage to pressure the Thai government," charging that the Bank of Thailand is providing financial support to exporters of textiles, tuna fish and canned pineapples, which have taken over a lot of the U.S. market, so that factories in the U.S. have had to close down. The U.S. notified the Bank of Thailand immediately to stop granting "packing credit" (low-interest credit for exports) to exporters of goods to the U.S., or the U.S. would resort to an "anti-dumping tax" as a barrier against Thai exports. The Bank of Thailand disclosed that major Thai exports worth 6 billion baht would be affected immediately.

"The government has set up a special task force committee and asked Dr Sanoh Unakul, secretary general of the National Economic and Social Development Board, to mobilize academicians from all institutions in behalf of the Bank, located in the Bang Khunpron area, in order to search for ways to alleviate the problem, to submit the matter to the economic ministers' council for 2 rounds of discussion and to be prepared to issue 23 measures to solve the problem and to spread out more support among producers."

FINANCE AND BANKING magazine covers this story in minute detail, the gist of which is that the Reagan administration, the dear friend of Thailand, has come out to obstruct three major Thai exports: finished clothes, canned tuna fish and canned pineapples, of which the United States imported as much as 5 billion baht last year.

It began when the U.S. textile traders group complained to the U.S. government that Thai finished clothes have taken away their U.S. market; the U.S. textile products could not beat the Thai products because the latter are cheaper.



The U.S. government took up the matter with the Thai government and pressured the Thai government to abolish the policy of granting credit to exporters who have made the three types of Thai products cheaper.

The Thai government had to adjust the interest rate it collected for the credit from 5-7 percent to 7-9 percent, but the U.S. government was still not satisfied.

The U.S. government took the matter to a U.S. court and asked for special authority to increase the tariffs on the Thai imports as a special case.

That is, the U.S. government would increase tariffs on Thai products by the same size of the reduction of the interest rate that the Thai government brought down below the regular U.S. interest rate.

This would keep the U.S. products from being in an inferior position to Thai products as far as prices are concerned.

And so the case went to court.

Thailand lost.

Now the case is being appealed, and the hope that Thailand will win the case is slim.

Factories for finished textile products, canned tuna fish and canned pineapples will suffer.

And other Thai export products might be caught in the same net.

The government is now seeking a way out.

Political and diplomatic channels are tightly shut because the U.S. government has to protect its product, because it is the duty of a government to do so.

Asking them for spending money is a lot easier.

One way out as I see it--be it very dimly--is to render help to imports of materials for the production of the three types of products or to reduce the sales tax instead.

But I don't know if the U.S. government would extend its hand to bully us again.

Regarding this story, the 13-15 February issue of ECONOMIC MAGAZINE reported that the Thai delegation, headed by Mr Wijarn Niwartwong, under secretary of the Ministry of Commerce, had agreed to sign a contract called a "suspension agreement" with the United States, specifically on textile products and finished clothes (which are still in court).



The signing of the agreement has the effect of forcing the Thai exporters of finished clothes and tuna fish to the U.S. not to accept help through the packing credit program or accept credit for exports and other kinds of help.

Compensation includes packing credit, the return of taxes, a special price for electricity and a deduction of expenses from sales taxes.

The report went on to say that "queued to be killed" next are the canned tuna fish and canned pineapples.

I myself suppose that the Thai said agreed to sign the contract with the U.S. in such a "helpless" manner is to buy time before it is "knocked out" so that in the meantime it can look for a way out.

The Thai side's hope is to be able to give a better understanding to U.S. officials, who will be traveling to Thailand to find out more details. And the Thai officials hope to prove to them that help through "packing credit" does not give an advantage to Thai products; it merely keeps Thai products from being in a disadvantageous position.

It is a very dim hope.

Thai finished textile products, canned tuna fish and canned pineapples in the United States--if they are not dead--cannot be raised any further.

And the worry now is that other Thai exports to the United States will be caught in the same net and be pressured by the U.S. as well.

Regarding this matter, we cannot criticize the U.S. government because it has the duty to protect its products.

In any case, it is an experience from which the Thai said can learn on how other governments give strong protection to their countries' products.

And when we turn to look at ourselves, it is clear that our government is as broadminded as an ocean, and allows foreign products to beat Thai products freely so that Thai products and Thai industries cannot lift up their heads.

Why isn't our government doing the things that the U.S. and Japanese governments are doing?

12282  
CSO: 4207/185

3 July 1985

## THAILAND

## COLUMNIST WANTS AID TO PHILIPPINES FOR ASEAN'S SAKE

Bangkok BAN MUANG in Thai 13 Feb 85 p 3

[Column by 'Freeman' "Stop the World": "The Philippines is Like a Ship About to Sink"]

[Excerpt] The situation in the Philippines is of the greatest concern at the moment. Prime Minister Cesar Virata stated that foreign news reports said that the Philippines was like a nation about to be wrecked, whose government is trying to improve its political stability and economy.

Prime Minister Virata said the reason the foreign press viewed the Philippines in that light is that it has put emphasis on the case of Mr Benigno Aquino, the opposition leader who was slain while being led by soldiers from the plane at Manila airport on 21 August 1982 and has used it as the chief cause to stir up the people to rise against their government; it has caused the death of tourism.

Mr Virata, who is concurrently minister of finance, said the troubles facing the country are one of the causes for the failure of the country's economy. From the standpoint of foreign countries, the Philippines is facing serious problems of division within the country, and the troubles resulting from political uncertainties, together with the growing communist movement threatening the democratic political system of the country, cause the Philippines to be viewed by foreigners as being in a position like that of a ship floundering in the sea and about to be wrecked. The people should have the right to know what is right and what is wrong.

Another news report said that the United States is about to increase its aid to the government of President Ferdinand E. Marcos in its fight against the outlawed communists in the Philippines, according to senior officials in the Pentagon. News about the United States' assistance prompted the opposition in the Philippines to be concerned that the country would resemble Vietnam during the war before 1975, when the United States sent American troops to assist the government of President Nguyen Van Thieu of South Vietnam in suppressing the communist rebels. But President Marcos has stated that his government would not allow foreign troops to be involved in the internal fighting of the Philippines and that the American military advisors stationed in the Philippines have acted only as advisors and trainers

of Philippine military officers on how to use and maintain military equipment purchased from the U.S.

The Philippines had been a colony of Spain for several hundred years. Later, it became a U.S. colony for almost another 100 years. It gained independence only after World War II. The United States reserved the right to have naval and air bases in the Philippines. That the Philippines is facing a growing communist threat at this time is because of the economic repression and the political system in which President Marcos has monopolized power for more than 15 years. And the fact that the Philippines has foreign military bases on its territory has stirred up the feeling among its population that their country is being occupied, resulting in a struggle against that occupation. This condition has bred communism, which has grown rapidly and has expanded from rural to urban areas with the antigovernment coalition front as its core foundation.

The Philippines is a member of ASEAN; its political instability will have an impact on international cooperation within the group. Solving its own problems is an internal matter of the Philippines. But overall, the weakness of ASEAN should be a problem that all member countries have a share in eliminating, for the sake of the survival of the Association of Southeast Asian Nations itself.

12282

CSO: 4207/185

THAILAND

COLUMNIST ON ASEAN-CAMBODIA IMBROGLIO

Bangkok BAN MUANG in Thai 17 Feb 85 p 4

[Column by Suk Wannasak: "The Border War--an International Tragedy"]

[Excerpts] The theory of moving one country's forces into another country's territory, according to the text book, is outmoded, but the current situation demonstrates that the theory is still in vogue.

Both the Free World or the Socialist-Communist Bloc have done it. They have invested a lot of capital and labor, but the resolution or voice of a few people cannot deter such an action. What results is indifference or "defiance" against the majority.

Invasions of small nations such as Grenada, Afghanistan, Laos or Cambodia are unsettling. Neighboring countries are unavoidably affected, whether because of refugees or because of fighting along the border.

Which is the problem Thailand is facing today?

Prince Sihanouk, leader of the government of Democratic Kampuchea, took an appropriate opportunity to meet with the secretary general of the United Nations and proposed that the United Nations set up a force along the Thai-Cambodian border.

Mr Klaew Norapati, member of the House of Representatives from Khon Kaen, immediately sent a letter to the Prime Minister and gave an interview to the press to voice his opposition to such a UN force, for he feared that that would be what gets the country involved in a war.

Or it could be because he realizes that a UN force would be ineffective, as in Beirut, where both American and French troops went in simply to drop dead like flies. Eventually, they had to pack up and leave, and left the warring parties to play with the short and long passes by themselves until today.

The statement made by General Kriangsak that the problem cannot be solved with force and that both sides must sit down to negotiate--these negotiations will require a lot of patience, because negotiations with the Vietnamese have been going on and on.

We have seen negotiations that have lasted years and ones that have lasted months.

And who can hope that the negotiations would produce results? For the root cause of the problem lies with the desire to group the Indochinese countries together.

This thinking has long existed. The socialist countries are flexible about the length of time; the takeover of a country depends on how ripe the internal situation of a country is.

But the takeover of Laos and Cambodia has taken longer than it should have. At present, it seems that the Vietnamese are attacking key points of the tripartite Cambodian government.

As has been said, the buffer between Vietnam and Thailand, that is, the Cambodian forces in the Thai-Cambodian border area, is eroding. Moreover, the ASEAN countries have issued a statement in support of the Democratic Kampuchea government, and this will encourage the policy of direct confrontation even more.

Thailand will be a frontline state as before.

At the same time, some ASEAN countries are buying goods from Thailand, loading them on ships and sending them to Vietnam. Everybody knows which country is doing this. What I don't know is how do friends help friends.

There are only two countries in the ASEAN group, if I may say so, that are better off financially. The rest are worse off. For these countries to help Cambodia would look like a helpless person trying to help another. How long can they continue to support Cambodia? This is because there must be economic factors to support war, be it today or in any era.

However, whether the conflict is resolved by force or by negotiation, the idea of taking over Indochina will continue to exist.

General Sitthi Jirarote, the minister of interior, admitted that an increasing number of young people in Laos and Cambodia have Vietnamese blood, and that means that there is a policy of integrating other races, a policy that no one can deny.

Aggression against other nations and the denial of the natives' rights to choose their own government and their own way of life are clear violations of human rights. Still, such violations have taken place on this planet.

It is an international tragedy, and the countries that have not been invaded have no way of knowing the plight of their fellow human beings.

12282

CSO: 4207/185

JPRS-SEA-85-105  
3 July 1985

## EDITORIAL SUPPORTS ASEAN ON CAMBODIA, ASKS NO HELP FOR SRV

Bangkok BAN MUANG in Thai 17 Feb 85 p 4

[Editorial: "Sale of Materiel"]

[Text] That the ASEAN foreign ministers passed a resolution to provide aid to the Free Khmers in their struggle against the Vietnamese invasion, despite their knowledge that Vietnam is completely backed by a superpower, in an indication of the ASEAN countries' solid unity to confront Vietnam or the superpower that is backing it without fear or fright. Among the ASEAN countries, Thailand is a frontline state that must stand to confront retaliation from the opposite side in every way. The ASEAN declaration does not give the opposite side any room for interpretation as to what kind of military assistance the ASEAN countries would give to the Free Khmers. Once the ASEAN countries have declared their opposition, it must be expected that their assistance will come in all shapes and ways, that is, from sending in weapons and military equipment to sending in troops to defend the sovereignty of the Free Khmers. Therefore, it is necessary that Thailand be prepared to face, as a country obstructing the takeover of Indochina, all forms of retaliation from Vietnam and from the superpower backing it.

Under these circumstances, Thailand has been prepared for a long time because we cannot afford to be reckless with the threats coming from the Indochinese side of our border. When there is approval and support from ASEAN members, it is natural that Thailand would feel more confident that it would not be allowed to face the serious situation alone. Even though Thailand may have a defense treaty with the United States, which still confirms that it will honor the treaty at Thailand's request, Thailand would not feel the same warmth as when it receives support from the ASEAN members, which have a firm intention to create an ASEAN zone free of the influence of all the major powers in this region.

The cooperation and unity among the ASEAN members are acknowledged by the world as being firm and sincere. This is because everyone sees the great danger that will result from the invasion by Vietnam and by the superpower backing it. But in practice, amid this cooperation and unity, there are many things that contradict the plan to oppose Vietnamese aggression, that is, some ASEAN member countries are still allowing their traders to sell military supplies to Vietnam and the superpower backing it. This is the same as directly strengthening the enemies in their attempts to destroy ASEAN. Regarding this, Thailand should ask the other ASEAN members to stop such trading practices in order to show true cooperation and unity and to show sincerity both in front of Thailand and behind its back.



THAILAND

EDITORIAL ON VIET REFUGEES' LAWBREAKING, ECONOMIC POWER

Bangkok SIAM RAT in Thai 6 Feb 85 p 3

[Editorial: "A Vietnamese Refugee Policy"]

[Text] The Vietnamese Refugees Affairs Section of the National Security Council disclosed that at present there are only 500 Vietnamese refugees who have asked for a permit to work in accordance with the Alien Work Permit Act in spite of the fact that the number of Vietnamese refugees who are registered with the authorities is more than 100,000. It is believed that there are a great many more Vietnamese refugees who are holding a job, but who have never applied for a work permit from the Labor Department, Ministry of Interior, which makes it a worrisome thing as far as national security is concerned.

The problem of Vietnamese refugees has been a chronic one for several decades and will continue to be chronic from the standpoint of national security for a long time to come.

Vietnamese refugees have fled in waves to seek refuge in Thailand since the Great East Asia War [Japanese Occupation--FBIS], and those waves continued through to the end of World War II. Their number totaled many tens of thousands. Thai authorities have designated certain areas in some provinces for these refugees. There have been several talks to return these refugees to their homeland, but there have been great difficulties because Thailand and North Vietnam, the homeland of these Vietnamese refugees, at that time did not have diplomatic relations. The two countries' contacts had to be made through their respective Red Cross Societies. Only a small number of Vietnamese refugees were repatriated, while in the meantime, these Vietnamese refugees in Thailand continued to produce a great number of offspring and were able to control the economies of several areas of the country.

During the Vietnam War, the Thai administration at that time expressed concern with the Vietnamese refugees' position, which was a position of support and assistance for Communist North Vietnam. There were people who sent money which they had earned in Thailand to support the Communists in their struggle to "liberate" South Vietnam. Although the sending of money was not official, it was widely known.

The foundation for the government's suspicion of the Vietnamese refugees might be based on the above actions and cases, and the fact that the refugees remain a national security problem to this day is like a thorn in the side. Still, there has been no coordinated system from the authorities to control these refugees so that their actions will remain within the desired limits.

Today, we do not know how many tens of thousands or hundreds of thousands of Vietnamese refugees are in Thailand or how many of them are outside of the controlled boundaries. It is said that even in Bangkok, there are quite a few Vietnamese refugees who are working. Because of all kinds of pressures, these Vietnamese refugees have resorted to an "under the counter" approach in order to be facilitated as they desire in all the ways that exist in Thailand. It is said that during one administration--and there might have been many administrations--many high-ranking government officials were accomplices in the wrongdoing of these Vietnamese refugees.

This fact, which demonstrates inefficiency in the maintenance of national security as far as the Vietnamese refugees are concerned--which we can obviously see--should be raised and considered seriously, and then we should find out what new measures the government will take regarding these people.

We are of the opinion that the Vietnamese refugee issue is still nebulous and indeed lacks a certain and well-rounded approach. It is indeed appropriate that the government should sacrifice some time in order to consider this matter seriously, instead of continuing to neglect it and leaving it in uncertainty.

12282

CSO: 4207/186

3 July 1985

## THAILAND

## RTA BUYS CANADIAN PARTS FOR OLD TANKS

Bangkok SIAM RAT in Thai 18 Feb 85 pp 1, 12

[Text] The army has bought parts for its M-41 tanks from Canada. The first shipment will arrive in Thailand in March. M-41 tanks are old models which Thailand bought at a low cost from America. They are armed with 76-mm machine guns.

A report from the army to SIAM RAT said that after the Cavalry Center had announced it was accepting bids for parts for the M-41 tanks, it appeared that Revy Auto Parts of Canada was awarded the contract for 54 million baht.

The parts for the M-41 tanks which Thailand bought from Canada totaled 400 pieces, to be divided into 3 shipments that will be delivered within 180 days. The first shipment will arrive in Thailand on 5 March, the second shipment will arrive in Thailand sometime in April or May and the third shipment will arrive here sometime around August 1985.

"When the parts arrive in Thailand, we can begin repairs right away. After the repairs, the tanks will be sent to various units," the source said, and added that at present the M-41 tanks are kept at the weaponry repair factory of the weaponry arsenal in Nakhon Ratchasima Province.

The report said the M-41 tanks were old models which the United States left in Japan after World War II and the Korean War. Prem Tinnasulana, the prime minister, who was the commander in chief of the army at the time, was of the view that if these tanks were bought and repaired by changing new engines and installing a fire control device, they would be well used. And so they were bought at a low price--about 30,000 to 40,000 baht apiece only.

"These are light tanks, about 25 tons apiece and armed with 76-mm machine guns. The firepower is pretty good. We figure that after the repairs are finished, they tanks can last as long as 10 years," the source said.

12282

CSO: 4207/186

THAILAND

COMMANDER OF 1ST KING'S GUARD INFANTRY REGIMENT PROFILED

Bangkok DAILY NEWS in Thai 18 Feb 85 p 5

[Text] The young army officer who commands an important fighting unit of the 1st Division, 1st Army Region, is Special Col Bandit Malai-arisun, commander of the 1st King's Guard Infantry Regiment. He is experienced in fighting and planning and has exceptional ability.

Special Col Bandit Malai-arisun was born on 5 May 1938. He was a native of Nakhon Sawan Province. His father was Maj Luang Malai-arisun; his mother was Mrs Lamai Malai-arisun.

He completed his secondary education at Wat Khema School in Nonthaburi. Then he attended Military Preparatory School, Class 15, and Class 8 of the Chulachomklao Royal Military Academy as had Maj Gen Narudon Detpradiyut, Maj Gen Kamon Udomsir, Col Wattana Bunyasit, Col Padet Wattanaputi, etc. All these officers are at the level of the deputy commander of a division and the commander of a regiment; they are the ones who are controlling the forces at present, except for Maj Gen Narudon Detpradiyut, who is the secretary to the army, and Maj Gen Kamon Udomsin, who is secretary to the Supreme Command.

This commander of the 1st King's Guard Infantry Regiment graduated from the Chulachomklao Royal Military Academy in 1961. He attended the Command and General Staff College, Class 48, and graduated in 1964. He then went to the United States of America to continue his education at the Special Warfare School. Upon his return, most of his jobs were within the 1st King's Guard Division, the 1st Army Region and particularly the 1st King's Guard Infantry Regiment. He started out as commander of the task force unit at the Special Warfare Center. He was 1st King's Guard Infantry operations officer, commander of the 1st Battalion of the 3rd King's Guard Battalion, commander of the 1st King's Guard Battalion, deputy commander of the 1st King's Guard Infantry, and finally commander of the 1st King's Guard Infantry.

Special Col Bandit Malai-arisun fought in a foreign country when he was a "first lieutenant" until he was a "captain." During this special mission, he was shot in the left leg, an experience that is still deep in his memory even today. Later, he was deputy commander of an independent company, second group, in Korea for more than a year.

If my memory serves me right, this officer was assigned to guard the Prime Minister's Office when there was a change of government and Mr Thanin Kraiwichian was relieved of his prime ministership several years ago.

As for the royal decorations of which he said he is most proud is the Royal Decoration Tatiya Chulachomklao Wiset, which he received from His Majesty the King in 1983.

As for his family life, he is married to Prongthip Suwanitkun. They have two daughters. The older daughter is 10 years old, and the younger one is 7 years old, both of whom attend Wattana College.

When free from his official duties, he likes to engage in sports; he can play all kinds of games. But the game he likes most at present is the game of badminton.

He is a soldier who has gone through tough fighting, but personally he is a kind person, and is well loved and well liked by his subordinates because he is sincere and has good intentions. What is more, he is polite and modest.

This then is another military officer about whom a lot of people are talking. It is thought that this April there will certainly be good news about his promotion to a higher position.

The person who will take his place will be an important one; everyone respects him. You will know for yourself who that person will be.

12282

CSO: 4207/186

PARTY ACTIVITIES AND GOVERNMENT

PHAM HUNG ADDRESS AT SECURITY CONFERENCE

BK041435 Hanoi Domestic Service in Vietnamese 0500 GMT 2 Jun 85

[Second and "last" part of speech by Pham Hung, member of the CPV Central Committee Political Bureau, vice chairman of SRV Council of Ministers, and minister of interior, at 29 May conference held by Interior Ministry on theme "President Ho Chi Minh and the People's Public Security Forces"--read by announcer; place of conference not given]

[Text] Over the past 40 years, under the clear-sighted leadership of the glorious CPV and the wholehearted care, education, and training of great President Ho Chi Minh, the Vietnam people's public security forces have reached maturity in many respects and scored great achievements in the struggle to safeguard security and public order, thereby making a worthy contribution to the success of the revolution in our country. As part of this common success, the science of the Vietnam people's public security forces has constantly developed and worthily contributed to the maturity of the people's public security forces in their efforts to carry out work and combat assignments and to build up their strength.

Since the first scientific conference on public security held in May 1981, thanks to the firm understanding and scrupulous implementation of the ministry's resolution on the orientations and tasks for the study of public security science for 1981-85, public security science has, over the past 5 years, made marked progress. It has fully reflected the fundamental lines of the party and the thought of Uncle Ho, closely followed realities, and supported in a timely manner the political tasks of the people's public security forces. Initial steps have been taken to successfully apply a number of new achievements of social, natural, and technological sciences, thus helping the people's public security forces improve the quality and efficiency of their work and combat activities and build up their strength.

Many units and localities have launched a movement to advance into public security science. To date, more than 60 units and localities have finished or are making scientific studies and specialized reports, and 332 specialized topics have been studied and are being gradually put into practice under different forms. Some of these specialized topics deal with the various aspects of the struggle against the enemy's multifaceted war of sabotage, against theft of socialist property and other crimes, and against negativism;



others deal with the building of the people's public security forces. Regarding the scientific study of President Ho Chi Minh, a practical scientific conference on the implementation of Uncle Ho's six teachings for the people's public security forces has been held in support of the emulation drive to study, profoundly understand, and correctly implement these six teachings.

At the same time, cooperation has been secured in conducting a number of major scientific studies with party and state scientific organs such as the Propaganda and Training Department and the Science and Education Department of the party Central Committee, the Nguyen Ai Quoc Advanced Party School, the Institute of Marxism-Leninism, the Ho Chi Minh Museum, the Institute of History, the Institute of Military Science, the State Planning Commission, the VCTU [Vietnam Confederation of Trade Union], the Ho Chi Minh Communist Youth Union Central Committee, the Vietnam Women's Union Central Committee, and so forth. On behalf of the Ministry of Interior, I would like to convey our sincere gratitude to these friendly organs for their enthusiastic assistance and cooperation in furtherance of public security science.

I heartily commend cadres and combatants of the people's public security forces for their intensive efforts to study public security science and highly praise the achievements already recorded by the Institute of Public Security Science. About the localities in particular, I heartily congratulate those localities that are considered the leading banners in scientific study.

In addition to the aforementioned achievements and strong points, there are a number of shortcomings and weaknesses that we still must overcome. Some scientific and recapitulative study projects remain poor in quality and do not have much value in terms of practical guidance. Intensive study has not yet been conducted on a number of very fundamental scientific subjects such as the party's strategy in the struggle to safeguard public order and security in the current situation; the characteristics of this struggle in the first stage of the transition period to socialist in Vietnam; the schemes, methods, and modus operandi of various types of violators of national security and social order and safety, especially those new types; the review of 40 years of safeguarding security and public order; the review of major court cases; and the cooperation in scientific study with public security services of fraternal socialist countries, especially the Soviet Union, Laos, and Cambodia. All of these subjects require even more intensive study so that we can scrupulously and fully implement the ministry's resolution on the study of public security science. Such shortcomings and weaknesses limit our achievements.

This practical scientific conference on the theme "President Ho Chi Minh and the People's Public Security Forces" is a new step of development following the scientific conference on Uncle Ho's six teachings for the people's public security forces. Nevertheless, it is simply the first step taken on the long road of the scientific study of President Ho Chi Minh's thought on the safeguarding of security and public order and about the

Vietnam people's public security forces. We must think hard and make a careful study to exploit the priceless ideological treasure handed down to us by respected and beloved Uncle Ho. Stepping up the scientific study of President Ho Chi Minh and living, fighting, working, and studying in accordance with the example set by great Uncle Ho constitutes a very important task that must be carried out by our entire party, armed forces, and people to meet the requirements of our country's revolution in both the short and long terms as well as of the undertaking to build socialism successfully and firmly defend the socialist Vietnamese fatherland.

With the party's correct and creative lines, with the tradition of valiant struggle coupled with the intelligence and creativity of cadres and combatants of the people's public security forces, and with the close cooperation extended by various scientific branches at home as well as in other socialist countries, it is certain that we will bring about a very fundamental change for the better in the science of the Vietnam people's public security forces, thereby contributing to the successful implementation of the tasks of building socialism and defending the fatherland and to the fulfillment of our internationalist duty.

CSO: 4209/438

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

PREMIER'S AWARDS FOR EMULATION ACHIEVEMENTS--On 1 June 1985, the council of ministers chairman decided to commend the following provinces for their achievements in fulfilling emulation pledges in 1984: Banners of leading regional emulation and a small vehicle each to Hoang Lien Son, Thai Binh, Quang Nam-Danang, Hau Giang, and Dong Nai provinces for their achievements in fulfilling emulation pledges to outstandingly implement the 1984 state plan. Second class awards of 20,000 dong to Quang Ninh, Hai Hung, Nghia Binh, Lam Dong, Cuu Long, Ben Tre provinces for their achievements in fulfilling the 1984 state plan in a relatively outstanding manner. Third class awards of 10,000 dong to Ha Tuyen, Bac Thai, Lai Chau, Ha Nam Ninh, Ha Son Binh, Phu Khanh, Long An and Gia Lai-Cong Tum provinces, and Vung Tau-Con Dao special zone for their achievements in implementing emulation pledges to fulfill the 1984 state plan. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 5 Jun 85 BK]

CSO: 4209/438

ECONOMIC PLANNING, TRADE AND FINANCE

SUCCESSFUL COMPLETION OF STATISTICAL WORK IN 1985 URGED

Hanoi THONG KE in Vietnamese Feb 85 pp 1-3

[Editorial]

[Text] In 1984, guided by the general and economic policies of the party, particularly the most recent resolutions of the CPV plenums, everywhere in the fatherland many positive factors have appeared giving rise to many new and effective methods of livelihood characterized by dynamic organization and management. This has created a radically basic transformation in the socioeconomic activities of our nation. While these changes are only the first step, they are of great significance in unequivocally tracing the direction and manner to advance our economy.

In this general context, in the past year, our statistics sector has struggled and gradually overcome weaknesses and increasingly improved our support of planning, leadership and management by the party and the state. We carried out Directive No 295/CT of the chairman of the Council of Ministers which was implemented by sectors, various levels of government and by infrastructure units, focusing on the strengthening of accounting practices, on the monitoring of state plans and the organization of a statistics system at various levels and particularly at the basic level through prompt and precise periodic reporting procedures which were formally implemented in a relatively satisfactory manner, together with a successful conduct of statistical investigations in economic and social sectors, reflecting timely and systematically many issues of the national economy; economic analysis and the establishment of general tables for a national economic profile and the conduct of seminars for evaluating the implementation of state plan and examination of the success of new policies, were improved both quantitatively and qualitatively; activities with the press and editing and publication of statistical documents and figures at the central government provincial and municipal levels were strengthened and improved, and successfully supported review and control of state plans, management leadership and economic studies at all levels and sectors.

Generally speaking, our sector has, in the past year, significantly contributed to the management of the economy and society, to the state's supervision and control of production and trade activities, and to the protection of socialist properties in the entire country.

However, because the old management structure is still overburdened by bureaucracy and cumbersome structure and because for subjective reasons many accounting and statistic systems and procedures have not had timely revision in accordance with the need to strengthen and improve party and state management, the effectiveness of accounting and statistic work vis-a-vis the management of the national economy is still limited. As an instance, the quality of statistical information is still marginal, has not really become a solid foundation for planning a national economy, and has not adequately served the formulation of policies and the evaluation of the execution of party policies and state plans. Violations of statistical procedures and methods include recording of incomplete and inaccurate figures, the continuing lack of reporting discipline in many infrastructure units which is the main cause for the slow pace of statistical reporting and for the low rating of statistics in terms of credibility and responsiveness. Many compelling economic and social issues are not promptly and completely reflected. These shortcomings create direct hindrances to the management and operations of a successful national economy.

The year 1985 will witness many important political events: commemoration of the 55th anniversary of the Communist Party of Vietnam, of the 40th year of independence, and of the 10th year of the liberation of the south to unify the Fatherland. At the same time, it will be the final year of the Third 5-Year Plan (1981-1985) and it also marks the preparation for the 30th anniversary of the Statistics Sector taking place in 1986.

To support the important political events and to rapidly overcome deficiencies mentioned above, our sector has to improve itself both quantitatively and qualitatively in order to address the requirements set forth by the resolution of the Seventh Party Plenum: "We must strengthen the information system to assure that the central government can quickly and accurately understand the fundamental situation of sectors, localities and infrastructure units; we must prevent and overcome the practice of untrue reporting. We must provide sectors, localities and infrastructure units with necessary and current information concerning the national and foreign economy and technology."

In this spirit, our immediate objective in order to reorganize and improve the statistics organizational structure is to assure that statistical information and reporting responds adequately and accurately to the requirement of the leadership of various levels and sectors; to strengthen initial recording, accounting and statistical work from base units on up so that economic occurrences are recorded immediately and correctly; to set up an information network at all levels in the whole country in a logical manner so that reports can be made to the central government without delay; to enhance responsibilities of sectors, levels, base units and all accounting and statistics cadres in assuring accuracy, timeliness and completeness of all statistical figures and reports; to thoroughly understand statistical figures and to use statistics science methods in economic analyses, and in the evaluation of the implementation of state plans and the efficiency of the execution of new economic policies in each sector, locality, base units and in the entire national economy; to boost propaganda and press services, and statistical scientific studies geared to the

sector's immediate and long-range missions which consist in strengthening and updating statistical work, improving the quality of statistical data and reports, increasing the use of computers and econometrics in economic statistics and information; to improve the organizational structure and cadres at each level, primarily those assigned to villages, wards, districts and key enterprises in order to enable them to meet their professional requirements.

The above objectives aim at building high quality, modernized and centrally unified statistical information network which will be able to address the information needs in planning and management of the leadership of various levels and sectors in a responsive, complete, accurate and thorough manner. The establishment of such a statistical information network is a complex scientific task and is the prime requirement in building the source for statistical data and reports which are accurate, precise and timely reflecters of economic activities, and are truly tools for the management, operation, and supervision of production and trade activities and in the protection of socialist properties. However, the most difficult problem and first with the greatest significance is the need to carefully organize the optimum implementation of that task. This is an all-embracing task of organization and mobilization affecting many people and many domains. Therefore, we must be able to mobilize the combined strength of the statistics system of the state and of the professional sectors in an active, strict and resourceful coordinative effort, eliminate sluggish and obstructive attitudes and enhance organizational discipline at the various levels and in all units of our sector.

Throughout our nation we see the pervasive rising of a socialist emulation movement. Millions of people in all spheres of activities of the national economy are developing their spirit of work initiative and overcoming difficulties to carry out the resolutions of the Fifth Party Congress and the Third State 5-Year Plan (1981-1985) to welcome the big national celebrations. In this general context, our high unanimity in our work orientation and mission, in our concepts and our acts are extremely important factors which have a decisive impact on the successful completion of our great and complex missions for 1985.

9458

CSO: 4209/403



## ECONOMIC PLANNING, TRADE AND FINANCE

### KEY TASKS IN 1985 STATISTICAL WORK URGED

Hanoi THONG KE in Vietnamese Feb 85 pp 4-6

[Article by Le Van Toan, director, Statistics General Department: "Important Tasks of Our Sector in 1985"]

[Text] In nearly 30 years of building, strengthening and developing, the statistics sector of our country has achieved many significant accomplishments and actively contributed to the improvement of economic and social management. The facts have shown that adapting the economic management structure to the plan is pivotal and of overriding significance and is part of the complex process of improvement that was emphasized by recent resolutions of the party and state. This reform also has a decisive impact on missions which have been and are being entrusted to state statistics agencies.

The concern of the party leadership and various levels of party and government vis-a-vis statistical work is to constantly motivate and encourage the cadres, workers and employees of our sector. Directive No 295/CT dated 14 November 1983 of the chairman of the Council of Ministers and subsequent circulars and directives issued by the various sectors and levels relative to the "continuous strengthening and improvement of statistical work" reflect the correct and resourceful leadership of the party and government for the statistics sector at present.

Subjectively speaking, our sector has the advantage of possessing the state statistics system and the statistics of functional sectors that have been gradually augmented and systemized and has accumulated a wealth of experience. Physical and technical infrastructures insures that accounting and statistical work will also be reinforced. In general, our statistics cadres are systematically trained and regularly receive advanced training to enhance their political and professional skills. Confronted by our nation's numerous difficulties, the majority of our cadres, workers and employees still maintain their enthusiasm and their sense of responsibility. Owing to this, in past years, statistical work has gone through important changes geared toward progress. A concrete example of this situation lies in the fact that the movement for socialist labor emulation has still been maintained and widespread, primarily in local areas. In terms of scored tasks alone in 1984, although statistics directorates reached only 76.11 percent of the total targeted score, they achieved an increase of more than 7 percent over 1983.

Going into 1985, a year with many historical events, our cadres, workers and employees, armed with an absolute confidence in the party leadership and imbued with our glorious revolutionary traditions, will certainly bring a worthwhile contribution to the people's emulation movement for the successful completion of the 5-year plan (1981-1985). The year 1985 is also the year of recapitulation to prepare ourselves for the celebration of our 30th anniversary which takes place in early 1986.

Our actual tasks are heavy and varied, but all activities must be focused on our common aim which is to continue enhancing the quality of statistical work at all elements and levels. We should enable ourselves to improve reporting time, accounting practices at base units, credibility and responsiveness of statistical information. This improvement should result in "a further strengthening of the information system to insure that the central government quickly and correctly understands the fundamental situation of sectors, localities and base units and the prevention of false reporting and timely provision of necessary national and foreign economic and technical information for sectors, localities and base units." (Resolution of the Seventh Party Plenum, Session 5)

Adhering strictly to the party resolution, in 1985, statistical work must be adequately improved to address the following areas:

#### 1. Enhancing the Quality and Effectiveness of Information Gathering

The major project of the statistics sector that contributes significantly to the building and development of a national economy is data pertaining to economic and social activities. These data must be synthesized and handled from information gathered in a timely, sufficient and accurate manner. Theory as well as our practical experience, and that of fraternal foreign states affirms that the quality of initial information plays a decisive role in the whole process of modernizing the statistical work. Therefore, the optimum performance of the information gathering element is the aim of statistics sectors of all countries. In our country the statistics mission must be considered as pivotal not only for 1985 but also over the long term. Whenever this crucial element has not attained its best performance, our sector will not be able to properly discharge our mission of supporting the leadership of the party and government and our prime task of supporting a planned national economy. As a rule, statistical information is gathered through periodic statistical reports and technical investigations. In the past years, our sector has used both forms. Nevertheless, for many reasons, gathering activities had certain limitations which affected adversely the quality of information. The main direction for enhancing the quality and effectiveness of information gathering is the gradual improvement of the reporting system and of technical investigation.

As far as the improvement of the reporting system is concerned, in 1985, we need to further strengthen statistical and accounting work at base units, and try to successfully apply the system of formal monthly report in lieu of estimated reports. This is the right direction and we ought to patiently stick to it. Obviously, success will not depend solely on the effort of state statistics agencies, but above all on the degree of attention and the sense of responsibility of the leadership of sectors and units vis-a-vis statistical and accounting work. Therefore, official or temporary, together with the revision and distribution of reporting forms to be used by agencies in 1985, statistics agencies of each level need to instigate an exchange of views with the leadership of the functional

organizations in order to unify policies and measures for strengthening statistics and accounting actions in the direction previously delineated. We must try by any means to use the formal monthly report system in enterprises which, relatively speaking, have met the required conditions. Those sectors and units still experiencing difficulties may, depending on their specific situation, use the 3, 6, or 9-month formal report system. In order to meet the objectives, the statistics organization at each level must have a guidance plan appropriate to the actual situation of each subordinate unit. This is the only way to be aware of the difficulties and hindrances of the subordinate units and together, overcome them. The leading organization will provide guidance for initial recording, preparation of intermediary logs and statistical reports and will regularly check their execution. The task is difficult and requires statistics agencies of all levels to immediately designate model units (villages, enterprises, etc.) to carry out the plan and assign capable cadres for the jobs.

Improvement of technical investigations. We all know that not all quantitative and qualitative information needs can be satisfied by the reporting system. Certain information can only be gathered by technical investigation. There are many kinds of technical investigations with independent roles, contexts and requirements. In the present situation of our country, with a piecemeal economy, and an economic management structure that is not working very smoothly, the level of information on statistics and accounting at the base units is marginal with the result that the accuracy, completeness and timeliness of reported information are very limited. Therefore, technical investigations play an exceptionally important role at present. Every year, our sector conducts tens of investigations in various economic sectors. For the base unit, the investigative workload is quite heavy. Nevertheless, the effectiveness of those investigations is still limited. Therefore, the correct determination of purposes, methods, sphere of activity, and of the number of investigations is an urgent need in order to improve the quality of data, save money, and address the needs for a number of years, and for comparative statistics. Improvements should be realistic and we should boldly eliminate what is unnecessary. In necessary cases when capabilities or conditions make it impossible to investigate we must temporarily defer them, or use other forms of investigation such as key point or specialized investigations instead of standard and general investigations. Naturally, any change in investigative method must be carefully weighed in two areas: the degree of accuracy and timeliness of the information that has been enhanced by the scientific nature of the method, and the possible errors which may occur because implementing conditions cannot be insured. In order to achieve this, an overall plan of technical investigations for the entire sector must be formulated. The plan should allow the statistics apparatus at the district and basic levels to set up their own execution plans and avoid unnecessary repetition and haste.

## 2. Fulfill Our Central Tasks

Together with our main objective of enhancing the quality of statistical data, our sector must fulfill the following central tasks in 1985:

First, we will actively participate in the 10-year economic recapitulation (1975-1985), the 5-year economic recapitulation (1981-1985), the strategic economic studies, and the formulation of the Fourth State 5-Year Plan (1986-1990).

The state statistics agencies of all levels and the statistics organizations of the sectors will conduct the systematization and edition of statistical data from 1981 to 1984 well enough to support the evaluation and analysis of the degree of completion of planned targets set forth in the Third 5-Year Plan and of objectives defined in party resolutions of the various levels. The systematization and edition of the statistical data for the last 10 years (1975-1984) will support the national economic recapitulation for the period starting from the day the country was reunified. In the meantime, we need to recapitulate and analyze data pertaining to population surveys, labor and social services, fixed properties, etc., in order to evaluate the existing exploitable potential of land, forests, sea, labor, and physical installations. This information will be instrumental for the formulation of the Fourth State 5-Year Plan (1986-1990) and for strategic economic studies of the party and government.

Second, in the capacity of permanent member of the commission for the review of the completion of state plans by sectors and levels, our sector must provide guidance and direct review said completion for certain sectors in the central, provincial and municipal level. This mission must be totally accomplished in May 1985. We need to further develop the functions of inspecting and supervising the implementation of state plans and policies in sectors and levels, primarily base units. In the same context, more attention must be given by the leadership to statistics and accounting, and meanwhile, continue our studies for the unification of the content and methods of computation in targeting and statistics.

In order to accomplish our 1985 missions well, cadres of different levels will encourage cadres, workers and employees of our entire sector to develop their spirit of collective mastery, boost the emulation movement for enhancing their work efficiency and quality. A most meaningful measure is the improvement of work habits at each level. Experience from progressive models shows that a rational assignment of cadres, a delineation of the functions, authority, missions and responsibilities of each individual and each element as well as the relationship between components following a set work process, and frequent inspections by the commanders at each level, are the most important factors in improving effectiveness and quality. To achieve this, each component must establish a detailed set of rules and work plan describing the work outline and the responsibilities of each individual.

The 1985 mission of our sector is very heavy and we continue to face considerable difficulties caused by the general situation of our country as well as by the special conditions of our sector. However, if we develop the spirit of collective mastery and strengthen our unity, we will, without a doubt, successfully accomplish our mission and create a momentum for the gradual strengthening of our sector. Also on the basis of a better internal unity, we will be able to take the initiative in exploiting the potentialities and strength of each unit and of the whole sector to accomplish our political and technical duties and in the meantime, increase the income and improve the lives of cadres, workers and employees. The leadership of any level is responsible for, and must devote full attention to this task. We must, however, avoid erroneous concepts, violations of rules and policies, or an excessive concern for improved living conditions at the expense of our technical responsibilities.



3 July 1985

## ECONOMIC PLANNING, TRADE AND FINANCE

## GUIDELINES FOR STATISTICAL SCIENTIFIC RESEARCH

Hanoi THONG KE in Vietnamese Feb 85 pp 12, 18

[Article by Le Xuan Dieu and Pham Son, of the Institute for Scientific Research in Statistics and Economic Information: "Guidelines for Scientific Research for the Statistics Sector in 1985"]

[Text] Scientific research in statistics and economic information is not only an important component of the general missions of the whole sector, but also directly leads to premises that contribute to the better accomplishment of our political and technical tasks. Therefore, it must be further reorganized and strengthened.

In conformance with the policies of the party and government in terms of economic, social, scientific and technological development, as a function of the direction of our missions, our sector's scientific research and economic information tasks in 1985 must be geared toward the following: general research and its application in a resourceful manner theoretical and practiced topics of statistical science and other related sciences in solving scientifically problems encountered in statistical and economic information work; in the meantime, extensively and efficiently apply modern tools, and mathematics and computer technology in the collection, handling, dissemination, analysis, storage and search of statistical information in order to gradually improve and modernize the state system of statistical information, and to better support information needs of the state and government leadership in management and planning.

According to the above, our sector's program of scientific research for 1985 and for the following years will focus on solving efficiently the following main issues:

First, we will concentrate the efforts and knowledge of scientific cadres in the whole sector, and in close cooperation with the Vietnamese Institutes of Sciences and related organizations, we will complete topics of studies for the first phase (1981-1985) and prepare ourselves to study the remaining topics in phase 2 (1986-1990), including the state-level theme, "Gradually Improve and Modernize the State Statistical Information System." In our scientific studies, the latter theme is a key topic whose rich contents encompass almost all areas of responsibilities of our sector, and as a matter of time frame, it will spread in the space of 10 years (1981-1990). In order to complete the studies and harmoniously put to use their results, we will have to achieve the following:

a) Hold discussion sessions and referenda in units and related sectors to finalize the revision of the general plan, "Gradually Improve and Modernize the State Statistical Information System to the Year 2000," and of the attached projects: information norms systems structure and data flow, nomenclature lists system applied in the statistics sector, information system at the directorate level, project for the application of mathematics, comparative analysis project, inter-sector comparative project, statistical data bank project, computation and communications technical equipment project.

b) Organize a scientific conference to recapitulate 5-year activities of theme No 48.05.05 aiming at evaluating the results of its study in the first phase and at formulating a plan for its continuation in the second phase (1986-1990).

Second, we will complete the state theme, "Analysis, Evaluation and Prognosis of the Standard of Living of the Various Strata of the Population Until the Year 2000" under program No 70.01. This theme has been developed by a number of units of the Statistics General Department since 1982 and has completed the detailed collection of adjusted and detailed information, and evaluated the standard of living by social strata in each region for the period 1976-1981. In 1984, we will take care of the remaining topics and recapitulate.

Third, During 1985 we will expedite completion of General Department and department level projects moving on to testing and evaluation. At the same time we will propose those projects which should be brought into use.

Fourth, in 1985, we will prepare the second conference for statistical and economic information science. This is a very complex task requiring strict leadership and a unified plan. The essential purpose will be the recapitulation of statistical work of each component and each task in our country in the past years. This conference also supports the preparation for the commemoration of the 30th anniversary of the statistics sector.

Fifth, we need to beef up scientific information activities. In 1984, we have expended much effort in the selection of editors and in the introduction of certain printed materials for research and studies for cadres inside and outside our sector. In 1985, scientific information activities must be stepped up and markedly improved in terms of contents, quality and increased quantity of printed materials. We should be able to better support the needs in research and studies of cadres inside and outside our sector, and especially to quickly address many needs in information in support of the study of state and general department themes. Besides, library work must be reorganized in order to serve the readership in the entire sector.

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## ECONOMIC PLANNING, TRADE AND FINANCE

## ECONOMIC, SOCIAL, CULTURAL TASKS IN 1985 STATISTICAL WORK URGED

Hanoi THONG KE in Vietnamese Feb 85 pp 10, 11

[Article by Le Manh Hung, deputy director, Department of Trade, Human, Cultural and Social Services: "Statistical Missions in Trade, Human, Cultural and Social Services in 1985"]

[Text] One of the important objectives in the improvement of distribution and circulation set forth by the party and state is the stabilization and gradual betterment of the lives of the working people, chiefly of workers and armed forces cadres, and the establishment of socialist order in the areas of distribution and circulation. Therefore, the major direction of statistical work in terms of trade, human, cultural and social services in 1985 has been determined as follows: to pay close attention to the quality of statistical data and analyses statistics through the strengthening of statistical base units particularly by the proper application of methods and procedures, the improvement of the process of gathering and handling information, the strengthening of accounting, and the respect of discipline in statistical reporting, in order to better support research and the execution of resolutions and policies of the party and state in the areas of distribution, circulation, and cultural and social services. In accordance with the above thrust, the central problem of statistical work in 1985 is to concentrate on improvement of the quality of statistical information in trade, human, cultural and social services in terms of timeliness, accuracy and completeness. To achieve this, we need to strengthen and improve the work of all components of our sector. On the other hand, units must be organized in a manner that enables them to directly produce trade, human, cultural and social services statistics which will result in marked changes ranging from determining the specific contents of the task to organizing guidance or implementation.

Following are some central tasks:

1. Accounting Control and Refresher Training in Statistical Work

Control has a predominant role in enhancing the quality of statistical information. Therefore, application of controls must be regular and unannounced, and directed toward problems such as initial recording procedures, scope of data collection and synthesis, requirements and methods for figuring reporting norms, organization of internal accounting and information, etc. The step-up in handing over management of distribution and circulation to the districts will require greater investment for statistical work in trade, human, cultural and social services. Therefore,

refresher training for district level statistical cadres becomes more urgent. In each locality, according to local conditions, short-term training courses dealing with each area of statistical work in trade, human, cultural and social services, will be organized with the purpose of forming, in a short time, a group of cadres able to handle trade, human, cultural and social issues at the district level.

## 2. Trade Statistical Work

The resolution of the Sixth Party Plenum stipulated that in terms of distribution and circulation, the most urgent tasks are to increase purchase, to control sources of supply, to develop trade in the socialist style, and to actively reform and closely manage the market. To control grain and other agricultural commodities, extensive effort should be made in the collection of taxes and debts, and in purchasing under two-way contracts and under negotiated prices. The totality of commodities are shared by four funds: the fund for commodities allocated to workers, cadres and armed forces personnel, the fund for commodities exchanged under two-way contracts, the fund for exported and imported commodities, and the fund for consumers' retail commodities. From the organizational standpoint, we must step up the building and strengthening of business enterprises administered by the districts, and in the meantime, improve the management structure of trade organizations.

To cope with this situation, in terms of internal trade statistics, after the revision of statistical report forms used by statistics departments of provinces and cities, the most immediate need is the revision in the shortest time possible of the statistical report forms of basic trade units. The 1985 objective is the full application of forms that have been issued, insuring the [accuracy] of the computation and the avoidance of duplication and omission in the overall formal reports. The system of quick report forms must be revised to insure adherence to official policies in the areas of distribution, circulation and human services, to check sources of data used in preparing balance sheets of certain essential commodities in the state-operated area, and to make an analysis of the total process of commodity circulation.

In the area of foreign trade statistics, we must establish nomenclature lists of exported and imported commodities in order to permit computerized data processing and meanwhile to satisfy domestic and foreign information needs. Per the resolutions of the Sixth and Seventh Party Plenums, organizations involved in production, purchasing and export of exported commodities or those directly doing export and import will be advanced and expanded in many sectors and localities. Consequently, management must be tighter and more comprehensive. Therefore, the revision and adjustment of foreign trade statistical reports must be in conformance with the new management structure and must be completed in 1985.

## 3. Trade Price Statistics

Because in 1985 we still have to use two sets of prices; stabilized prices (prices of commodities allotted to salaried personnel, and two-way contract prices), and flexible prices (negotiated prices in purchasing, retail prices in trade enterprises), we need to continue the use of price statistical forms and improved

computation methods in order to thoroughly reflect price fluctuations. We need to concentrate on consolidating the price registration network in the framework of state-operated commerce, and the price and quantity reporting network, ensure the representative nature of statistics and reflect current price fluctuations on the free market. We finally need to prepare ourselves to start statistical work in the area of service prices.

#### 4. Human Service Statistics

At present, the household investigative network in life statistics is weakening and we cannot ensure that its data is representative. One of the main reasons for this situation is the low wages paid to investigators. The system of information collection, dissemination and handling is cumbersome and backward. To solve this problem, in this very year of 1985, we need to provide investigators with an adequate pay level and to give investigated households satisfactory encouragement. We must ensure that the number of investigated households reach 1 percent as determined. We need to revise and unify income and expense ledgers and adjusted figures ledgers to replace existing ones and also to replace unwieldy and complicated investigation forms. We need to pay enough attention to refresher training in order to improve investigators' professional skills.

Readying ourselves to support the computation of cost of living allowance for workers and employees in accordance with the cost of living index, we need to consolidate and improve our computation methods to cover the entire country quarterly and to expand extensively to cover all localities.

In 1985, besides our functional tasks, our statistical work in trade, human, cultural and social services must perform the above missions well in order to accomplish all the requirements of state planning and management.

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CSO: 4209/403

## ECONOMIC PLANNING, TRADE AND FINANCE

### ARTICLE ADVOCATES ENTERPRISES TAKING LEAD IN PLANNING

Hanoi TAP CHI KE HOACH HOA in Vietnamese Feb 85 pp 15-19

[Article by Vu Huy Tu, Ph.D. in economic science: "Developing the Right of Enterprises To Take Initiative in Planning"]

[Text] The production and business plans of enterprises are the basic and formative component of sector (local) plans and the national economic plan. Enterprise plans being drafted on scientific, realistic and solid bases and properly carried out are especially important factors that guarantee the quality of plans at levels higher than that of enterprises and of the national plan as well. Consequently, they must cover the contents of the three revolutions and, in the economic aspect, the parts of the social reproduction process and be closely linked with such activities as supply of materials and processing and sales of products. These plans must also be balanced with the factors of the social reproduction process, in terms of both material resources and value.

Originating from the above-mentioned important needs and on the basis of ensuring the unified centralized leadership and management of the party and state, the development of the creative initiative of enterprises in planning is an objective necessity. Especially while there is a lack of balance in many aspects of the national economy; many potential capabilities remain unexploited; productivity, quality and efficiency are still low; and production still fails to satisfy the accumulation and consumption needs, the above-mentioned necessity is even greater. This matter has been affirmed in the resolutions of our party and state. The resolution of the recent 7th Plenum of the CPV Central Committee, 5th term (mid-December 1984), emphasizes the following: "In making arrangement for plans, ensure their realistic and steady qualities, actively exploit the four sources of capabilities and strive to achieve greater rate of development and economic results. Develop the determination to be self-reliant; vigorously arouse the revolutionary movement and collective ownership spirit of the working people, cadres, party members, sectors, localities and basic units; mobilize the combined strength of the state and people; and encourage all basic units, localities and sectors to exploit in the

best manner all labor, land and occupational potential and the existing material base, to expand economic cooperation and integration and to strengthen export-import. " \*

## I - Right To Take Initiative

The spirit and basic contents of developing the right of enterprises to take initiative in planning have been clearly determined in Resolution No 150-HDBT of 30 November 1984 of the Council of Ministers about a number of matters having to do with improving the management of state-operated industries.

First of all, the resolution states that the plans of enterprises, joint enterprises, unions of enterprises, corporations and general corporations (from here on, enterprises for short), through their developing the spirit of collective ownership of workers, civil servants and mass organizations /are drafted by enterprises on their own initiative, on the basis of exploiting the four sources of capabilities/ (my emphasis -- VHT) and under the guidance of their immediate superior organ.

The quality of plans greatly depends on the drafting stage. In order to have a thorough understanding of the principle of democratic centralism, on the one hand, there must be timely and correct guidance and leadership from the superior echelons as it has been determined, assignment of the number of plans and affirmation and supply of the necessary economic and technical information, such as norms, standards, ability to balance materials, capital, market situation, prices, etc., but on the other hand the initiative and active role of enterprises in this job are of a special importance. In order to draft very close and accurate plans, first of all enterprises must actively make good preparations: making economic analyses; accurately evaluating producing power and potential capabilities; investigating market needs, price situation and joint enterprise and integration possibilities for creating additional sources of materials and extending cooperation in production and business; reviewing, adjusting or setting additional economic and technical norms.

After having received the assigned number of plans and economic and technical information from the superior management organ, on the basis of the results of preparatory work, enterprises are to proceed with preliminary or official signing of economic contracts and /to make full drafts/ of sections of production, technical and financial plans. These drafts are made by combining the results of self-evaluation of capabilities and registration of assigned tasks by individual work locations, production teams and shops (offices, desks and work sections), and by enterprises as a whole through the movement for

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\* NHAN DAN, 21 December 1984 issue, p 1.



democratization of plans. In reality, the job of drafting plans must be an active revolutionary proselyting process throughout an enterprise that makes every person, every collective of workers and every civil servant fully realize the direction, goals and tasks of the state plan and see the needs of society for the goods that the enterprise makes (including the types, quantities, qualities, production costs and delivery time of these goods) and their own role and responsibilities and those of the enterprise as a whole for taking part in drafting and carrying out sector (local) plans and the state plan in order to respond to the needs of society. On the basis of a correct awareness of the political task of their unit they correctly evaluate the producing capacity, develop the potential capabilities of their unit and accept greater norms and tasks for their plan. Properly doing this work is the basic measure to take to ensure overcoming the situation in which plans are dictated from the superior echelons and consequently are bureaucratic, lean more toward the form, are cut off from the reality and must be adjusted down many times per year in order to ensure "fulfillment" at a low level as they have been for some time.

To seek ways in any form to make the working masses participate in large numbers in actively drafting plans and accepting progressive and steady tasks in such plans is an important requirement of the present renewal of planning. Le Duan has pointed out: "Planning at all levels must be an economic activity that is closely linked with the lively way of living and our economic and social realities. In the planning job we must use varied forms of activities to attract the active participation of economic and scientific and technical cadres and the majority of the working population, thus making plans at every level really become an achievement of the collective mind. "\*"

## II - Combining Regulatory, Guided Planning

Another important matter is the fact that enterprises have the right to take initiative in drafting full plans having to do with their various production-business activities (covering parts of economic plans, living conditions of workers and civil servants and social welfare). This originates from the systematic, total and rich nature of the activities of enterprises. In these rich and varied plans, the state through its representative being the superior management organs, only directly /approves and assigns a number of specific regulatory norms to enterprises/.

According to Resolution No 156-HDBT, compared to the past, these norms have been made much narrower and are aimed only at the most important tasks that are compulsory and must be fulfilled by enterprises within the plan period. They are the norms about production and delivery, reduction of costs and

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\* NHAN DAN, 13 August 1984 issue, p 2.



surrender of accumulated profits in the case of the major products registered in their plans. These norms also are the obligation of enterprises to the state. As for other types of products, the above-mentioned norms only have the value of guidelines. Enterprises can on their own initiative investigate market needs, determine the lines of goods and seek additional sources of materials to ensure fulfillment of their production task and regulatory norms in regard to the major products. In the course of carrying out their plans, if there are new capabilities, they can further improve such plans with supplementary things and report it directly to the superior management organ. In the case they cannot fulfill the regulatory norms because of objective reasons even after they have taken the necessary measures to overcome the situation, enterprises have the right to ask the superior echelons to consider it and to make adjustments at the beginning of the third quarter in the year of the plan. They also have the right to request the organs concerned to assign and adjust the plans for balancing materials and energy and to maintain the necessary conditions for fulfilling such plans.

With the purpose of developing the creative initiative of enterprises and encouraging them to exploit sources of capabilities (of themselves and from joint business and integration with other economic organizations, from increasing the volume of export goods for the sake of import and from borrowing capital from the bank, including borrowing capital in foreign currency) in order to seek additional sources of materials and to register for fulfilling the regulatory plans at higher levels than the figures issued as guidelines, the state /strengthens the use of economic levers/, such as prices, profits, credit, wages, various forms of export-import bonuses, scientific research and application of advanced industrial techniques. A widespread and effective use of economic and financial policies is to combine the important measures that ensure a more correct application of such principles as democratic centralism and linking together the basic interests in economic management. As a result, plans are turned into a source of great revolutionary encouragement for every collective and working people, who must actively, voluntarily, creatively and steadily fulfill the tasks of the state plan. About this matter, Le Duan has emphasized that " /plans must be the strongest lever in the system of economic levers/ and not only a compulsory regulation but also a great encouragement for all basic units, localities, sectors and working people. "\*

An outstanding feature of extending the right of enterprises to take initiative in accordance with the new mechanism of management is the fact that the state allows and encourages them to seek and exploit new sources of capabilities in order to make more products beyond the regulatory norms. These products

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\* NHAN DAN, 13 August 1984 issue, p 2.

include those that are not in the list of principal products of an enterprise; the new products that are not yet made in large numbers and in a stable manner; and those kinds of products of secondary production made of discarded materials, discarded products and, in some cases, without prior registration by enterprises as part of the regulatory norms. They usually are the products that are made because of unexpected capabilities, without the possibility of signing contracts in advance, such as buying additional raw materials and agricultural, forest and sea products beyond the obligation, or producing in negligible and irregular quantities. These lines of goods are to be totally determined by enterprises on their own initiative on the basis of investigating market needs, expanding joint business and integration relations and signing economic contracts with customers and materials-supplying organizations. For these types of products, enterprises must comply with the state regulations about sales of products and about fulfilling the obligation to the state by making contributions to it, such as paying taxes or making purchases for the state. In addition, enterprises are totally free to take initiative about cost accounting, to fix sale prices within the price frame determined by the responsible echelons or in contracts signed with customers, to calculate profit (or loss) or to determine economic results in general and on this basis to decide about production-business plans. Here the fact is that enterprises can apply the commercial accounting formula. However, we must see that this accounting formula is totally different in its nature from the commercial accounting under capitalist conditions. This mainly indicates that the industrial enterprises of our country today carry on production-business under these conditions: first, there are the centralized and unified leadership and management of the CPV and socialist state; second, the state has seized control of the greater part of the principal means of production of society, the new production relationships have been established and are being consolidated and the state-operated economy is getting stronger everyday and developing its leading role in the national economy; third, the economy is being developed in accordance with the state plan (even though it is still at a low level); fourth, of the total value of products made by enterprises, the part of products made beyond the regulatory norms, in spite of its rather important role in quite a few enterprises, particularly in the production installations making consumer goods, remains secondary compared to the value of products within the norms assigned by the state; and last, economic accounting therefore remains the principal one, while commercial accounting is only supplementary by nature and must also be done on the basis of seriously implementing the economic-management policies and procedures of the party and state and at the same time under the guidance and control of the superior management organs and the control of party organizations, mass organizations and all workers and civil servants in enterprises.

### III - Matters To Be Resolved

1. To determine early the production task and product plan of enterprises. This is a matter of very important significance for developing the right of enterprises to take initiative in production-business. To determine early and correctly their production task and product plan will create favorable conditions for enterprises to actively affirm and balance the plan norms, to expand joint business and integration activities and to exploit sources of capabilities in order to ensure fulfilling their plan. In order to resolve this matter, while urgently drafting the long-term strategy and plan (plans of 10-15 years) for development of the national economy and of individual economic sectors, which serve as a basis for accurately drafting 5-year and annual plans, as Resolution No 156-HDBT of the Council of Ministers has stated, the immediate step to take is "In addition to approving the official plan each year, it is necessary to project the plan for the following year so as to ensure continued production." This is the form of "planning for 2 consecutive years" adopted by the Soviet Union and many socialist European countries in the early period of their socialist construction, when their economy had not been planned, nor had it entered a stable development phase. As a result, enterprises can actively affirm production plans earlier, use them as a basis for expanding joint business and integration, arrange for and organize production, sign economic contracts, exploit domestic and foreign sources of materials, designate the market for sales of products, and so on; from there they can take initiative in registering accurate and well-founded tasks for their plan in the following year.

2. To adopt a formula for supply of materials and a price policy suitable for the new planning mechanism in enterprises.

Along the line of renewing planning as mentioned in Resolution No 156-HDBT of the Council of Ministers, some questions that are raised are whether the state balances materials in favor of enterprises in connection with the products beyond the regulatory norms; if it does supply such materials, at what prices they are provided; and how does it go about fixing the sale prices of these kinds of products.

About these questions, there must be unified determination and guidance from the state organs concerned, such as the State Planning Commission, the State Price Commission, etc. As we know, Resolution No 156-HDBT, as a preliminary statement, points out: "The principal materials are supplied by the state (by the central organizations or by localities) in accordance with the regulatory norms." Thus the state is only responsible for ensuring supply of the principal materials for products within the regulatory norms. Furthermore, for the making of many major products, the state also encourages the enterprises to actively look for sources of materials in order to register for and carry out greater tasks in their plans.



In order to make other kinds of products, enterprises must look for by themselves materials, first the principal raw materials. However, in an effort to create favorable conditions for full use of the existing capabilities and for making more products for society, the state must also supply in accordance with its plan a part of the principal materials, and first of all energy, to enterprises. But the degree of maintaining this materials balance also depends on the materials capability under state management. In principle, while the sources of materials are still limited, priority must be first given to making the vital products of the national economy and to important production installations. In addition to striving to ensure the supply of "5 corrects" principal materials in accordance with the regulatory norms, the supplying organizations /must widely apply the form of supply business/ in regard to the types of common and secondary materials aimed at satisfying the production-business needs and commercial accounting requirements involving the products beyond the regulatory norms. On the part of production enterprises, they must review, perfect and set additional norms for storing and using materials, which serve as a basis for drafting plans, first of all the plans for production and sales of products, materials supply plans and manufacturing cost plans. These norms also serve the task of controlling and supervising the management, use and final balance of materials. It is necessary to have the measures to strengthen management of materials during transportation, delivery and reception of materials in order to reduce the rate of losses of materials.\* The expenses that result from the above-mentioned reasons, when we include them in the manufacturing costs, must be analyzed and handled properly in order to contribute to the struggle against and the reduction and elimination of the negative social phenomena in the supply and transportation of materials.

In order to overcome the situation of state-financed management, the prices of materials (electric power, coal, gas and oil, tools, spare parts, etc.) supplied by the state for the products of enterprises beyond their regulatory norms, as well as the sale prices of these products, must be set in accordance with the principle of accounting involving all social expenses and making profit. Here we have a combination of economic accounting with the use of commercial accounting factors. However, there must be guidance from the responsible state organs (planning, price and financial organs) and an underlining of the responsibilities of enterprises for observing price discipline and the state financial systems and taking part in market management.

3. To develop the right of enterprises to take initiative in doing the job of organizing fulfillment of plans, such as drawing up plan progress charts for

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\* Actual data in enterprise surveys show that at the present time, during the supply and transportation of materials to enterprises, the losses of such raw materials as paper, lumber and bamboo are about 10%, coal about 20%; quality of materials is greatly reduced; transportation costs are increased at will.

different factory shops (production and work sections) and work places and regulating production to ensure smooth and steady production activities. In addition to strengthening close leadership vertically from top to bottom, it is necessary to widen the lateral relationships based on economic contracts between enterprises and other economic units and between production (work) sections within an enterprise.

4. To carry out in a timely and serious manner final review and evaluation of the results of fulfilling the enterprise plan.

There must be timely guidance of the planning organs at all levels about the contents, methods and time limit of a final review of fulfillment of plans. This work must be mainly based on the regulatory norms of plans and closely linked with reviewing the materials balance and important economic contracts. Through such work we can correctly evaluate the results and effectiveness of production and business, any progress and limits, failures and weaknesses in the economic management of enterprises. Consequently, enterprises will find that these are very interesting and necessary activities, which they must actively ask for guidelines from their superior echelons for and urgently carry out right after having completed each phase of their plan.

5. To underline the responsibilities of the superior management organs and the economic organizations concerned toward the planning task of enterprises.

In order to ensure the effectiveness of the plans assigned to enterprises, Resolution No 156-HDBT clearly states: "The organizations in charge of materials supply (including the ones in charge of importing materials), transportation and production and banking services must strive to overcome difficulties and to ensure sufficient balance in terms of the principal materials and important secondary materials, transportation, services, credit, and so on, in accordance with the regulatory norms and existing contracts; and depending on the results of fulfilling the plans of enterprises, they will get from the latter rewards or material punishment." Furthermore, the resolution also suggests the task of studying and defining a system aimed at holding the organs in charge -- planning, financial and price organs -- responsible for the results of fulfilling enterprise plans.

These are new and especially important matters aimed at extending the right of enterprises to take initiative in production-business, for this right cannot be exercised by the enterprises alone but the superior management organs, as well as the economic organizations concerned, must show a respect for it and create favorable conditions for them to exercise it.

In order to achieve the above-mentioned points, there must be:

- A great change in the ideological concept of the superior management organs, which must be clearly aware of their basic function and task, in the capacity of the logistical link of production, to unconditionally serve the production-business activities of enterprises.

- A clear determination of the responsibilities of the superior management organs and the economic organizations concerned through the state management policies and procedures and economic contracts signed with enterprises.

- Rewards (or material punishment in case of damages caused to enterprises) given to the management organs on the basis of their obligation and the results of their contributions to enterprises (savings of materials, increase of output, reduction of expenses, increase of profits, etc.) to be taken from such results. Consequently, the rewards or material punishment must be based on actual definition contained in state documents or contracts signed between enterprises and the management organs or economic organizations concerned. The reward money must come from the actual results obtained by enterprises; the scope of reward or punishment depends on agreement of the parties concerned and is to be determined in an appropriate manner, provided it is based /on the principle of all parties benefiting from it and the overall state interests not being affected by it/.

Through the above-mentioned preliminary ideas, we can see that the right of enterprises to take initiative in planning covers rather broad scope and contents. They are the state regulations, the initiative of enterprises in developing themselves and at the same time the responsibilities and respect for this right on the part of the superior management organs and the economic organizations concerned in the entire planning process ranging from drafting, examining and approving, and assigning plans to organizing their fulfillment, reviewing and evaluating the results obtained by enterprises. /The right to take initiative/ of enterprises must also be exercised under the conditions of ensuring the leadership and appropriate unified and centralized management of the state. There must be correct understanding and clear distinction of the two concepts, the "creative dynamic quality" of production installations and the "spontaneous and self-developed nature" of production-business and in management, the latter leading to a state of being unorganized and undisciplined, disregard for the law and violations of the planning policies and procedures and economic and financial management of the state in general.

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CSO: 4209/401



## ECONOMIC PLANNING, TRADE AND FINANCE

### MATTERS ABOUT PLAN DRAFTING BY STATE ENTERPRISES DISCUSSED

Hanoi TAP CHI KE HOACH HOA in Vietnamese Feb 85 pp 20-25

[ Article by Dao Thiem: "Some Matters About State-Operated Industrial Enterprises Being Masters in Plan Drafting " ]

[Text] In the last several years, we had some enterprises that properly drafted and carried out their plans; the latter had positive effects on exploiting their potential capabilities, continuously expanding production and business, obtaining great economic results and properly fulfilling their obligation to the state. However, along with the situation in which plans had been "poured down" from the superior levels, the plan-drafting mechanism in many enterprises remained heavily administrative, with work being done through shortcuts and the tendency to wait for and rely on the superior echelons being corrected too slowly; meanwhile, to draft plans was considered something necessary for dealing with and reporting to the superior echelons in order to ask for materials and capital, with efforts often being made to reduce responsibilities and to hide capabilities. Although these shortcomings had been criticized, they were not corrected effectively so far; as a result, the quality of combining sector plans and the state plan was not yet very high, nor did planning really become a central link of the economic management system.

In order to overcome this situation, one of the policies about improving planning suggested in many party and state resolutions calls for seriously achieving drafting and combining plans from the basic level up. In the industrial production system, all enterprises (independent enterprises, joint enterprises, unions of enterprises, corporations and general corporations) must really be the masters of their plans and strongly improve them from the very beginning, from drafting their plans, with /new needs, contents and methods/. In this article we would like to deal with some matters having to do with the realities of drafting the 1985 plans in the enterprises that had begun to properly implement the resolution about improvement of industrial management.

## Knowing the New Needs

About improving planning in the state-operated industrial enterprises, Resolution No 156-HDBT states that the plans of enterprises are unified production-technical-financial ones drafted by enterprises on their own initiative, on the basis of exploiting the four sources of capabilities and under the guidance of the immediate superior management organs. To be masters of the plans of enterprises, including the drafting of plans, is a new task that requires a total renewal in regard to the concept, contents and methods of planning. The plans that enterprises are to draft on their own initiative are not the result of detailed calculations of the combined figures handed down by the superior echelons, nor do they mean enterprises are to manage by themselves to get the things they need and to freely decide about their production-business activities. To improve plan drafting this time does not solely involve a change of the order of planning as it is arranged between the superior and inferior echelons, but it is /a change of quality in the process of drafting the plans of enterprises/.

To draft plans from the enterprise level is the direction for renewal of planning as the result of the important role of the state-operated production units, where all material wealth is produced, where surplus products and accumulated capital are created and where the masses work everyday and directly carry on the three revolutions and implement all policies and plans under the leadership of the party and the management of the state, and the role of basic-level plans in the system of three basic plan levels. It both correctly reflects democratic centralism in planning and conforms to our country's economic conditions and planning capacity. With leadership and guidance from the superior echelons, enterprises are in a position to be able to know well the needs and mostly their capabilities in order to ensure fulfillment of the state plan task.

Compared to the way enterprises drafted their plans in the past, to improve the drafting of enterprise plans now has the following /new needs/:

One, the goals, tasks and measures in the plans are to be drafted on the basis of fully exploiting the four sources of capabilities, in which the initiative and creativity of enterprises are shown in the use of their own capabilities, the expansion of cooperative, joint enterprise and integration relations and the stepping up of production of export goods as a means to import by themselves the technical materials needed to develop production and business.

At the present time, due to the fact that the material means the state supplies to enterprises are limited, normally the sources of energy, materials and capital are not enough to satisfy all production needs, while the producing capacity available and still unused by enterprises is considerably large.

Consequently, the plans that are drafted on the basis of the new needs have to be higher than the level set and assigned by the state to enterprises, which must register the greatest tasks for their plans. The plan norms must reflect clear-cut progress compared to the past and to the assigned tasks having to do with the types of goods, volume and quality of products and total profits and payment for accumulation, on the basis of including in the plan balance all sources of capabilities exploited by enterprises, with increases in both values and volumes compared to previous years. This can be considered the first yardstick to evaluate the capacity of enterprises to be masters in plan drafting.

Two, the plans of enterprises must truly reflect the principle of economic accounting and socialist enterprise. They must be total plans being uniformly balanced in terms of production, technical and financial activities and organization of everyday life. The contents of their components reflect an active balancing of the needs of enterprises, their increasing contributions to the country as a whole, the full development of their financial self-rule, to cover all expenses by themselves, and lots of profits and correct distribution of profits to the three interests of society, units and individual laborers. This requires the determination of their goals, tasks and measures on the basis of selecting the most beneficial plans and calculating economic results right at the time products plans are determined; plans must be balanced in terms of both material resources and value, both production and financial consideration, with the economic levers being used to give more strength to the tasks assigned in the plans. Thus the degree of being masters in plan drafting is evaluated mainly on the basis of the socioeconomic results obtained, as well as the degree of development in correctly resolving the relationships among the three interests.

Three, to draft plans of enterprises must be given a scientific base. This is an important requirement that was set many years ago, but in reality the plans that were drafted lacked scientific bases. Due to an inappropriate understanding of the scientific nature of plan drafting or the argument to the effect that production is not yet stable, there has been a tendency to underestimate creating and perfecting the scientific bases of the plans of enterprises, which failed to actively seek a full understanding of the existing capabilities, while many sources of information, either the enterprises themselves or the superior echelons, were far from reliable and incomplete. Even the capabilities and information supplied by the superior echelons, such as sources of materials, energy, market, etc., were not clearly and accurately understood by enterprises. Therefore, in order to be masters in plan drafting, first of all both enterprises and the superior echelons must perfect at any cost the scientific bases of plans; all plans drafted by enterprises must be based on analyses and combination using the technical and economic plans that have been selected.

Four, the plans of enterprises must be a work of the collective mind and result from developing the right of collective ownership of workers and civil servants and from the mass organizations actively taking part in drafting such plans. Therefore, in the plan drafting process, it is necessary to use rich and realistic forms to get the active participation of large numbers of economic and science-technology cadres, workers and civil servants in the enterprises and to reflect in the plans lively production-business activities that are suitable for realistic conditions and linked with the social life. In the efforts to achieve democratization of planning today, it is necessary to improve both the form and contents, to develop the role of enterprise councils and to make everybody really interested in and highly responsible for drafting and properly carrying out the plans of their units.

The four above-mentioned needs are to be closely linked together; in reality, some enterprises have properly fulfilled them, but this fulfillment is far from widespread, nor is it achieved with good quality. In order to satisfy the need for improvement, enterprises must make more positive changes in the drafting of their plans.

#### **Satisfying Requirements for Improvement**

Along with extending the right to be masters of planning; stressing the responsibilities, rights, obligation and interests of enterprises in connection with the results of production-business activities; and gradually overcoming the situation of planning being heavily administrative and state-financed, in this round of improvement the plans of enterprises have many new contents. The understanding of the new improvement contents, therefore, is an extremely important matter for enterprises to properly draft and carry out their plans.

##### **1. Unified contents of production, technical and financial plans of enterprises.**

The plans of enterprises are unified production-technical-financial ones and cannot be divided into separate parts. They cover the entire development of their production-business activities and social life, under the guidance and management of the superior echelons. No matter how the structure of their plans is divided in accordance with various aspects (regulations and guidelines, the state ensuring the balance and enterprises looking for material sources, products made within and beyond the regulatory norms, primary and secondary production activities, and so on), these plan norms must be combined into one plan for each enterprise. It can be said that any norms, for instance the volume of products, total wages funds, production expenses, profits, etc. in connection with any products made within the plan period, must be planned in accordance with the established procedures. Naturally, in such unified plans, at the time of drafting, examination and approval, as well as evaluation of results, some combined norms must still be analyzed separately in



accordance with different criteria. For instance, the products to be delivered are divided into the ones within the regulatory norms and the ones without. To draft such plans under the conditions of having differences in regard to the nature of production and business is a difficult and complicated job, but it is extremely necessary in order to ensure that all the activities of enterprises are included in the planning, to ensure that production, including production beyond the regulatory norms, is balanced in a total and uniform manner and at the same time to have the bases for correctly combining sector and national plans and to achieve supervision and assistance from the superior echelons to enterprises. In reality, in the past years quite a few enterprises failed to correctly implement Decisions 25-CP and 146-HDBT as they drafted their plans into 2-3 separate parts, with the secondary production activities being left out of their overall plan.

As they are required to ensure the unified character of their plans, enterprises must pay attention to resolving the following major matters:

- To improve plan balancing. In this to pay more attention to uniformly balancing the plan components and including in the balance the factors and sources of capabilities in the production process taking place in the enterprises (including the activities beyond the regulatory norms). The balances between material resources and value, between production and financial matters, and so on must be carried out at the same time. Enterprises must not only include all production factors in the balance and combine plans right at the beginning of the year but also continue to discover new capabilities in order to have supplementary balance in the course of carrying out their plans and thus to make combining and reviewing the results of their carrying out the plans more correct.

- To actively fulfill the regulatory norms right at the time the draft plans of enterprises are made. The set of regulatory norms to be assigned to enterprises has been simplified; in addition, there are other norms, such as rate of increase of labor productivity, total wages funds, effectiveness of use of capital, and so on, that are considered guideline norms. The regulatory norms, guideline norms and calculated norms form a set of unified norms in the unified production-technical-financial plans of enterprises. In the course of drafting their plans enterprises must determine and handle the balanced relationships among these kinds of norms. If the calculated and guideline norms are not set in a positive and steady manner, the drafting of regulatory norms cannot attain the desired requirement and can even create errors and troublesome aspects in the contents of plans.

- To correctly determine the allocation of products and to accurately classify products in accordance with the criteria suitable for the plan contents is also an important matter that ensures unified drafting of enterprise plans.

## 2. Determination of allocation of products.

With the specific needs set for planning and management, the allocation of products is determined in accordance with different criteria. Depending on actual conditions and due to the varied nature of production, the determination of allocation of products serving as a starting point for enterprises to combine the plan norms is also very complicated. In reality, there were quite a few enterprises that incorrectly applied the common regulations and, in some cases, deliberately made wrong classification.

First of all, it is necessary to point out that in the efforts to improve planning this time, we do not determine the allocation of products that consist of three kinds -- products made of state-supplied materials, products made of materials provided by enterprises themselves and secondary products (as Decision No 25-CP indicates) -- or classify them as products made in accordance with the portion of the state plan assigned, with balance maintained for the principal materials, products made within supplementary plans and secondary products (as Decision No 146-HDBT indicates), but instead make the classification on the basis of different things. Of these there are two major classifications that are mentioned in the production plan report and actually determined at the time of drafting products plans.

One, in accordance with /the nature of use and role of products/, products are of two kinds:

Primary products are the ones that are determined in the early or supplementary tasks during planning, the ones included in the list of important products issued by the state and the ones in the lists of major products under the management of sectors, provinces or municipalities assigned to enterprises for production. They also include the products that enterprises used to consider part of their secondary production and the ones that are made of excess and scrap raw materials obtained from their principal production and are now produced in a regular manner in large quantities (such as bran oil of the milling industry, bicycle sprocket wheels of machine shops, etc.).

Other products are the ones that are not in the lists of major products assigned by the superior echelons in production plans and made of scrap and discarded excess raw materials and by secondary production sections in small quantities, in irregular production and for limited consumption; in addition, they also include the ones that are made on a trial basis for nonindustrial jobs and do not involve any regular production task.

Two, in accordance with /the nature of balance and scope of plan assignment/, products are of two kinds:



Products under the regulatory norms are the ones that are in the lists of important products of the state, sectors and localities. They include the ones made of materials supplied by the state, including the ones of the same kind resulting from a saving of the state-supplied materials and made beyond the plan goal, and the products that are primarily made of the materials provided by the enterprises themselves following registration as a part of the regulatory plan balance (registration right at the beginning or as an adjustment in the course of carrying out the annual plan).

Products beyond the regulatory norms mostly are the ones that are not in the lists of important products assigned by the superior echelons in the regulatory plans. Most of them are of the "other products" kind and made in small quantities. In addition, a not so large component consists of some major products (different from the ones that are registered) made of materials provided by the enterprises themselves that appear in the course of carrying out the plan, with production being temporary and without registration for inclusion in the regulatory plans, or involves some work of industrial nature, technical services, etc. that is not regular.

In addition, due to other management needs, enterprises must also determine the allocation of products in accordance with /the nature and recipients of supply of materials/. Here products are divided into two kinds:

Products made of materials assigned in the plans by the superior management organs, which ensure their balance. The volume of products of this kind is proportionate to the volume of materials being balanced on the basis of the norm set for average progressive use of materials. The volume of materials supplied by the superior echelons mostly includes the materials in the list of materials under unified state management and only some important items (for other items enterprises must provide them by themselves as a normal task they must fulfill).

The kind of products made of materials from the sources that enterprises look for by themselves. The materials that are balanced here usually are the raw materials and materials produced within the country and, for a small part, imported materials, which are supplied through legitimate channels. For instance, enterprises use self-supplied capital and products to directly purchase raw materials for making or processing into finished products; receive materials and sell finished products of customers in order to make products on contract, the entire products or some part(s) of them; make products with materials imported from abroad using foreign exchange that comes from export beyond the assigned plan or through economic integration. The determination of this kind of products must naturally be materialized for individual sectors and different types of products, as well as the factors going into the output norms at the time of combining the production plans of enterprises.

Actual experience has indicated that in order to correctly determine the allocation of products, enterprises must rely on the actual process of organizing production for each kind of product and for each enterprise and consider many aspects, including the tasks in the plans assigned by the superior echelons to them as the most important basis, as well as have a correct concept and a high degree of responsibility in regard to carrying out the planning procedures. Enterprises must not only apply the way to determine the allocation of products so as to correctly carry out the task of combining plans but, most importantly, also rely on these classifications to arrange in the most rational manner for an allocation of products in a positive direction: to exploit the sources of self-provided materials, to increase the volume of products within the regulatory norms and to increase the volume of primarily-for-export products.

### 3. Plans linked with new economic policies and management procedures.

Planning in enterprises is to be improved simultaneously with a renewal of policies and procedures within a new mechanism of economic and industrial management. The contents of plans must be suitable for the new policies and procedures; at the same time, the implementation of the new policies and procedures in the plans is considered a positive factor, a realistic measure that ensures the positive and steady qualities of these plans. If the plans are not linked with the new policies, they are only lifeless figures.

In the improvement of industrial management this time, many management policies and procedures are improved along the line of widening the right of enterprises to take initiative in production and business and to be financially self-reliant, on the basis of strengthening the centralized and unified state management. These policies and procedures cover the fields of production and business and range from the financial, credit and price policies to the policies and procedures having to do with labor, wages, materials management, encouraging production of goods for export, encouraging research and application of scientific and technical progress, sales of products and profits and distribution of profits. These policies and procedures must be applied to and reflected in various components of the plans of enterprises as the actual bases for their contents and measures:

- First of all, enterprises must rely on the new contents of policies to draft the improved contents of each and every component of their plans. For instance, with the new financial policy, they must exploit all of the capabilities to increase the sources of self-provided capital, affirm the plan norms for production capital and arrange the plans for use of capital in an active manner, for the right goal and with great economic results. Other components of their plans (profits, sales of products, etc.) must also be improved in a similar direction.

- To arrange for plan balancing must be closely linked with improvements having to do with the formula and form of organizing production and business in the new policies that have been determined. For instance, to widen the form of piece-work wages, to improve the profit distribution mechanism and forms of integration and joint enterprise, to organize direct export-import on the basis of unified management by the foreign-trade organs, to adopt new ways to sell products, and so on -- all must be positively reflected in the plans concerned.

The improvements of management procedures also are reflected in the combined calculations of many plan norms. The new regulations about prices and production costs serve as the main basis for accurately combining many such norms as volume of production value, expenses for materials, costs of per-unit production, overall level of profits, and so on.

- The new policies are to pay special attention to encouraging the material interests and responsibilities in various activities of enterprises. They must be considered a lever that has to be included in planning and to become measures in their plans, with attention being paid to raising the quality of setting the norms about prices, costs of production, wages, rewards, profits, distribution of profits, use of enterprise funds, and so on in the direction of making improvement in accordance with the adopted procedures.

#### 4. Exploitation of four sources of capabilities to balance the needs in the plans of enterprises.

To apply the plans and measures for exploiting the four sources of capabilities in order to balance the needs is the direction to take to make active improvement in drafting enterprise plans. In order to exploit these capabilities it is necessary to develop the effects of four development factors: to step up the application of technical progress, to renew the economic management mechanism, to implement the national policy of thrift and to launch mass movements. Of the latter the most important and effective measure is to actively and vigorously carry on /the rearrangement and reorganization of production and the application of technical progress/. These measures are not only the factors that determine the rate of development of the goals and tasks of these plans but also the objectives and contents of such plans.

On the basis of the projects and guidelines of the sector as a whole, which come from the production needs of individual enterprises, the contents of a rearrangement and reorganization of production must be determined in the plans of enterprises. The major ones among them, such as making rearrangement for products, revising the allocation of goods, making industrial and equipment arrangements and reorganizing the assembly line and work force, must be underlined, while production components and cooperative relationships within

the enterprises must be organized in a rational manner; particularly, production and business integration activities must take place between enterprises and production units, economic and scientific research organizations and localities in connection with cooperation and division of production work as they jointly try to create additional sources of raw materials, to expand investment, to apply technical progress, to exchange materials and labor, to sell products, to get transportation, and so on.

As they make improvement in planning this time, many enterprises have included in the plan balance and economic contracts the production-business integration activities. In this effort, they clearly determine the new sources of capabilities being mobilized through the integration (volume of materials, raw materials, capital in foreign currency, etc. already received) and the norms having to do with the results of production-business (such as volume of products, profits, payments into the budget, etc.).

In production activities of enterprises, science and technology is intruding more and more in production and becomes a direct production force, reflects the nature of economic plans and is a development factor of production-business and a key measure to effectively exploit the four sources of capabilities and to ensure balance in the plans of enterprises. In order to develop these positive effects, enterprises can follow these major directions as they draft their plans:

One, on the basis of the technical achievements and progress that have led to conclusions, to bring them into actual production and to consider them as the major scientific base for determining the goals and tasks of plans aimed at resolving such matters as improving and expanding the lines of products, raising the quality of products, quickly increasing the volume of products, making the kinds of materials and spare parts to replace the imported ones, or improving the organization of labor, raising labor productivity, reducing the materials consumption norms, on the basis of applying new industrial methods, providing the assembly lines and laborers with new equipment and new technical equipment, and so on.

Two, to draft plans and research programs for applying technical progress in enterprises, along with other components of economic plans, and to consider them the different measures in their unified plans as a whole. These are the plan components that in reality many enterprises still fail to pay proper attention to.

Three, in order to ensure fulfillment of the scientific and technical development plans of enterprises, all scientific-technical forces (capital, materials, equipment, labor, etc.) must be combined in a balanced manner in different components of the production and financial plans concerned; all balances



having to do with investment, capital construction, materials, financial matters, etc. must ensure that all scientific and technical activities are carried out as planned.

As they applied Resolution No 156-HDBT to drafting their 1985 plans, some enterprises have obtained initial results. However, the superior management organs have not yet resolved in time the troublesome shortcomings in connection with dealing with the actual contents of enterprise plans. Consequently, the right of enterprises to be masters of their plans has not yet been fully developed. We can mention here a number of problems about which many enterprises are still waiting for replies from the superior management organs:

- To follow the right order of things in planning. This includes the superior echelons assigning guideline figures to enterprises for their plans, with the norms, tasks and material conditions being supplied by the state, along with the necessary economic, technical and financial information. It is necessary to show clearly the material conditions and to have uniform balances in conformity with the assigned tasks.
- To perfect and adopt uniform positive procedures conforming with the spirit and contents of Resolution 156-HDBT, such as the procedures dealing with financial matters, production costs, prices, sales of products, spending from wages funds, distribution of profits and encouragement of export-import. In reality, it has been quite difficult for enterprises to resolve these matters.
- The superior management organs, mostly the banking, financial, commercial, materials-supplying and other organs, must show strong changes as they serve the basic level, improve their leadership work, reorganize their working methods, overcome all signs of authoritarianism and deliberate trouble-making, and so on, for the purpose of creating favorable conditions for enterprises to be really masters in drafting and carrying out the state plan.

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CSO: 4209/401

ECONOMIC PLANNING, TRADE AND FINANCE

TIEN GIANG PROVINCE LISTS 10 YEAR ACHIEVEMENTS

Hanoi NHAN DAN in Vietnamese 6 May 85 p 2

[Unattributed article: "10 Year Achievements"]

[Text] Agriculture:

-Field rotation has increased by 1.49 to 1.86 times; and cultivated area has increased from 178,000 to 201,500 hectares.

-Grain output in paddy equivalent has increased from 450,000 to 797,600 tons.

-The pig herd has increased by 50 percent and the buffalo and cattle herd by 83.03 percent.

-Eight state farms and three state forests have been established in new economic zones and 22,000 hectares of heavily acidic and aluniferous land have been cleared, improved and placed in production.

-More than 52 million dispersed trees have been planted.

Industry and Small Industry and Handicrafts:

-The gross output value of local industry during 1984 attained nearly 1.4 billion dong, an increase of 4.2 times over 1976.

Material Base Construction:

-Capital investment to increase fixed assets in the state area was five times greater than 1976.

-There were 229.8 kilometers of communications routes of all types repaired and 968.4 kilometers of new construction, including 44.47 kilometers of Nguyen Van Tiep Road connecting the city with the new economic zone.

-My Tho Port with a capacity of 350,000 tons per year was constructed.

-More than 270 welfare facilities in the rural area such as schools, public health stations, maternity hospitals and theaters were constructed due to the "state and the people working together."



-Production Relations Transformation:

-On the basis of reallocating 14,200 hectares of field land to farm families, the province has established many production collectives and agricultural cooperatives. During 1984, 88.4 percent of the field land, 87.2 percent of the laborers and 86.7 percent of the farm families were brought into collective work.

Culture, Education, Public Health:

During 1984, there was an average of 2,474 people attending school and 139 middle-level general school students for every 10,000 people.

-During 1984, the number of doctors was three times the 1976 level.

-Out of every 10,000 people, an average of 37,444 attended the showing of films and 5,766 went to see cultural performances during 1984.

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CSO: 4209/445

ECONOMIC PLANNING, TRADE AND FINANCE

TIEN GIANG PROVINCE LISTS 10 YEAR ACCOMPLISHMENTS

Hanoi NHAN DAN in Vietnamese 6 May 85 p 2

[Article by Le Van Pham, Secretary of the Tien Giang Provincial Committee:  
"Tien Giang Today, Firm Steps Forward"]

[Text] The first years after liberation were a period in which Tien Giang Province healed the wounds of war, returned tens of thousands to their former homes to earn a living, restored production, and gradually stabilized the lives of the people. In the task of opening and clearing new land, hundreds were killed while disarming bombs and mines. On the other hand, the province arranged for tens of thousands of soldiers and members of the U.S.-puppet administration to study the line and policies of the revolution, gave them jobs and simultaneously established an administrative apparatus at all levels, streamlined the mass organizations and maintained political security.

During the 2 years of 1977 and 1978, due to the floods and brown planthopper infestation that devastated tens of thousands of hectares of garden and subsidiary food crop fields and also the authoritarian and subsidized management methods, production development was slow and difficulties were encountered in the lives of the people.

The 1978-1979 winter-spring season marked the beginning of intensive cultivation, multicropping and development of subsidiary food and industrial crops. In only one season, the living conditions of the people began to stabilize and it was also at that time that the resolution of the Sixth Plenum of the Party Central Committee (Fourth Session) emerged, creating conditions for the province to enter a new period.

With a firm grasp of the economic development policies of the party in coordination with the characteristics of a small heavily populated lowland province, Tien Giang concentrated efforts to introduce agriculture to total development, concentrated on grain and food production, emphasized intensive cultivation, multicropping, area expansion and construction of state farms and specialized cultivation areas, closely connected transformation with production reorganization and gradually introduced agriculture to socialist large-scale production. Thanks to the use of summarization and the synchronized application of technical methods, including water conservancy, new strains and land reform which was considered the most decisive method, the agricultural sector of the province raised the area of farm land from 90,000 hectares (in 1975) to 120,000 hectares (in 1976), and introduced more than 7,000 hectares of newly cleared

terraced fields to farming. The cultivated area during 1984 increased by 17.17 percent over 1976 and land rotation achieved 1.86 times. Despite the serious flooding, grain output in 1984 still attained a high level, increasing by 77.66 percent over 1976; and average rice yields throughout the province were 7.9 tons per hectare. The two districts of Cai Lay and Cai Be attained from 9.5 to 10.5 tons per hectare; and the average output per capita rose from 390 kilograms during 1975 to 582.4 kilograms in 1984. The area of high yield rice at first was only 10,000 hectares (in 1980) but afterwards, with the experience gained, rose to 40,000 hectares and is now being expanded to 80,000 hectares during 1985; with average annual yields of 10 to 12 tons of paddy per hectare. A program to apply scientific and technical advances and methods of exploiting and summarizing the potential capabilities of the rice area noted above has been defined.

Since 1976, besides achievement of grain equilibrium for local requirements, the province has also fulfilled its increasingly greater grain obligations to the state. In 1984, they were three times larger than the 1976 level.

Much progress has been made in the raising of livestock and poultry. Subsidiary food crops, fruits and annual industrial crops, especially coconuts, sugarcane and pineapples, have increasingly accounted for an important percentage of exports. By their own efforts, the cadres and people have turned uncleared, acidic and saline land into state farms, state forests and areas specializing in the raising of industrial crops to stand second in importance in the province.

The rivers and sea are the third position of strength, the location where the economy is coordinated with national defense. Consequently, the province has concentrated investment, rearranged labor and organized to catch and raise marine products in accordance with a plan and general concept aimed at exploiting the potential capabilities of the rivers and sea. During 1984, the marine products catch increased by 6 percent over 1977 and purchases reached 42 percent. The fish raising movement has been promoted in all three areas: state operation, collective and family. The output of raised shrimp and fish rose from an insignificant amount to now account for nearly one-third of the annual project output of marine products.

During the past few years, industry and small industry and handicrafts rose from 22 small facilities during 1976 to 140 state-operated enterprises at the present time, including five joint enterprises and two enterprises for the cold storage of export marine products, vegetables and fruit. Industrial output value increased by 4.2 times over 1976. The variety of small industry and handicraft goods has been increasingly expanded. The volume of goods during 1984 was 3.45 times that of 1976.

Due to production development and organization of the four cooperative forms, inter-area economic association and purchasing to place goods sources in the hands of the state steadily increased, answering the requirements for supplying grain and other goods to cadres, workers, civil servants, the armed forces and laboring people. During 1976, the value of commodities delivered to the central government amounted to 12.136 million dong; rising to 1.86 billion dong in 1984. Export goods have increased every year to assure a balanced local budget and to contribute to the central government.

Many intra and interprovincial roads, supply holding points and transportation means have been restored or newly constructed, including My Tho Port with an annual freight handling capacity of 350,000 tons. Of the 126 villages, 120 have vehicle roads and travel within the rural area is more convenient than before. Investment in and construction of the material and technical base for agriculture, processing industry, communications and transportation, economic-technical complexes, new land for raising industrial crops and new rural area as well as the district level have all been emphasized by the province. Fixed assets of the state by 1984 had increased 5.07 times over 1976.

Achieving the motto of "closely connecting construction with production transformation and reorganization," after years of initial difficulties due to inexperience, the province has now basically completed the task of agricultural transformation under two forms: cooperatives and production collectives. Progress has also been made in the transformation of industry and commerce. The privately-operated industry and commerce have been reorganized and introduced to collectivism under the forms of cooperatives, cooperation teams or business cooperation and agents for state-operated commerce, in conjunction with expansion of the network of state-operated commerce and marketing cooperatives which have also been organized in almost all villages and subwards. Agricultural, small industrial and handicraft, credit, and marketing cooperatives operate in a synchronized manner, creating a composite strength in control of money and goods, managing and actively controlling the free market, gradually stabilizing prices, and satisfactorily serving production and the lives of the laboring people.

The cultural, educational and public health projects have also been strongly developed. The number of students is twice that prior to liberation. The public health network has been extended down to the village and hamlet level. The movements to raise pharmaceutical plants, self-manufacture medicines and assure the drugs required for treating common ailments of the people have been increasingly expanded. Cultural and recreational activities, and those involving wounded soldier-social and army rear area work have been increasingly conducted in depth to become procedure.

During the past few years, thanks to production development and especially an increase in grain and food, the lives of the people in general have begun to stabilize and improve; many homes have been restored and newly constructed; and security and national defense have been assured and the province has fulfilled its international obligations to the fraternal country of Kampuchea.

The successes above are first of all due to thorough understanding and creative application of the proper line of the Party Central Committee and the state to the specific environment of the local area to increasingly better develop the mechanism of the party leading, the people controlling and the state managing. The party organization has upheld the revolutionary assault will and spirit of self-reliance of the cadres and people in overcoming every difficulty, struggling to eliminate the bureaucratic and subsidized mechanism, and unceasingly perfecting the new management mechanism to conform with the development of the present situation.



In order to develop the successes achieved and to overcome the shortcomings of previous years, beginning with 1985, the province is concentrating efforts on achieving five socio-economic programs, including objectives of total agricultural development, primarily the production of grain and food, promoting the raising of livestock and poultry, expanding the area of specialized industrial crop cultivation, and striving to develop industry, especially industry manufacturing consumer and export goods, and agricultural support machine industry. The catching and raising of marine products is being promoted with the purpose of swiftly increasing the amount of food and export items and to coordinate in firmly protecting the security of the sea area. Technical advances are being boldly introduced to production aimed at raising labor productivity and product quality and conserving supplies and raw materials; and extreme emphasis is being given to construction of the material and technical base with attention to completing the technical stations and farms and expanding cooperative relations and scientific and technical research within each area. Rational transformation and organization of agricultural production relations is being completed, the quality of cooperatives and production collectives is being raised and experiments are being conducted in establishment of land reform models. Agricultural transformation is being closely connected with the transformation of capitalist and self-operated industry and commerce, and the construction of a marketing network to increasingly better support production and life in residential areas. We are strengthening socialist commerce and marketing cooperatives, and developing credit and small industry and handicraft cooperatives in the subwards and villages. Business association is being expanded between the organizations above in order to control money and goods, stabilize prices, control the market, and establish socialist order on the distribution and circulation front.

Exports are being pushed in order to import supplies and equipment, gradually increasing the amount of technical equipment for local agriculture and industry. On the basis of promoting production development, we are well-organizing stabilization and gradual improvement of the lives of the various classes of people, both to overcome difficulties for the wage earner and to have rational tax policies, to stimulate production development, to answer the urgent requirements of the farmers, to continue sending people to build new economic zones, and to rearrange residential areas.

The basic methods for achieving the missions above are to develop the collective ownership rights of the laboring people with the purpose of elevating the revolutionary action movement of the masses, mobilizing the composite strength of all sectors and echelons, and renewing the economic management and planning mechanism from the primary level. We are achieving equilibrium in the four capability sources, constructing and strengthening the district level, promoting methods of intensive cultivation, expanding the movement for technical improvement innovations, and increasing labor productivity and product quality. Attention must be given also to the elementary and advanced training of cadres, especially scientific and technical cadres and management cadres, and improving organization, work methods, labor division and decentralization in an increasingly profound manner in order to highly develop the initiative of the primary level and of all echelons and sectors. Satisfactorily achieving the tasks above, Tien Giang will take rapid and firm development steps in the direction of a rich and powerful industrial-agricultural province.



ECONOMIC PLANNING, TRADE AND FINANCE

FIRST QUARTER GOVERNMENT BOND SALES REACH 100 MILLION DONG

Hanoi NHAN DAN in Vietnamese 6 May 85 p 1

[Unattributed article: "Enthusiastic Purchases of 1st Quarter Fatherland Construction Bonds Reach Nearly 100,000 Million Dong"]

[Text] While waiting for the central government to summarize the campaign to purchase fatherland construction bonds during the 2 years of 1983 and 1984, and to correct and supplement a number of systems and policies on 1985 government bonds to conform with the actual situation at the present time, people throughout the nation continued to purchase nearly 100 million dong worth of bonds during the 1st quarter. Ho Chi Minh City achieved the highest level: 54 million dong while Kien Giang Province attained 6 million dong and Long An more than 4 million dong. The provinces of Thanh Hoa, Dong Thap, Minh Hai, An Giang, Hau Giang, Thuan Hai, Hai Hung, Tien Giang and Ha Tuyen each purchased bonds worth from 1 to more than 3 million dong.

Generally, the provinces have tried to maintain the movement encouraging the people to purchase government bonds, especially those families able to do so, and have completed the collection of money and paddy pledged by the people during 1984 in order to have additional capital for national industrialization.

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## AGRICULTURE

## AGRICULTURAL SERVICE UNITS NEED IMPROVEMENT

Hanoi NHAN DAN in Vietnamese 6 May 85 p 1

[Editorial: "Raising Quality, Effectiveness of Technical Service Units Within the District"]

[Text] Many technical service agencies and units at the district level have made good changes and begun effective operations. A number of units have renewed their operations mechanism, closely connecting responsibility, purview and economic interests with the final results of production, especially in the field of crop and livestock protection.

The rise of technical service agencies and units at the district level has not been uniform; scientific and technical activities in support of production facilities are still being assembled, are dispersed and top-heavy, lack division of labor and coordination, and lack the synchronization necessary to swiftly introduce technical advances to production; and are not yet closely associated with the collective and family economies. Most of the units have not yet closely connected technical service activity with the production and business of the primary level production units down to the final product.

The mission of the technical service units such as corporations, stations and camps must gradually strengthen reorganization and renewal of the operations mechanism, and strengthen economic accounting. They must urgently streamline and raise the quality of state-operated technical service organizations from the central to the primary level in accordance with the principle of building a specialized sector system, closely connecting the sector with the local area into one united body, eliminating unnecessary intermediate steps, and achieving specific labor division and decentralization consistent with the characteristics of each sector.

Each district, depending on its own production scale, characteristics and management standards, must organize a suitable technical service system. Two primary centers may be formed in the district: a technical service center for crops consisting of plant propagation, fertilizer supply, botanical protection, water conservancy, tractor and agricultural equipment stations; and a technical service center for stock raising consisting of animal breeding farms, an artificial insemination station, facilities processing and supplying domestic animal feed, and a veterinary station. These centers bear the responsibility for formulating the operational plans of service facilities to form one united plan in order to align with the primary level production units. The technical service units must dispatch cadres to each economic-technical complex, cooperative

and key production collective to join the primary level technicians in forming a united network in each specific area with a specific, responsible and overall beneficial program of activity.

Labor division and economic-technical association between the state-operated, collective and family areas under many forms will create a composite strength for developing production along a course of "the state and the people working together." Technical service units within the district area must rise to those actions of high effectiveness in the key steps and primary phases of the production process; substantiate their operational plan into specific contracts with cooperatives, production collectives and possibly even the cooperative member families. On the basis of two-way contracts, technical service units may receive part of a product increase, or bear the responsibility of in-kind compensation for losses caused by poor operations of the service units which affect production.

State-operated technical service units must expand their association with the scientific and technical facilities such as technical schools and research institutes in the local area with the purpose of contending for the assistance of the technical cadre forces and production support material means; and associate with primary level production units with export forestry, agricultural and marine products in order to partially solve the difficulties in imported tools and materials. Sectors and district echelons must strive to create conditions for the technical service units to shift from a system of "using receipts to compensate for expenditures" to economic accounting, gradually creating a source of self-acquired capital for expanded reproduction. They must avoid procedures of simple business with an overbearing attitude toward production, and must overcome an ideology of expectant dependence on the operating capital supplied by the state.

Further raising the responsibilities and material benefit concern of the technical service units regarding production and closely connecting the rights and responsibilities of each individual in the branch systems of the technical service network, surely we will assist in stimulating agricultural production into strong and firm development.

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POPULATION, CUSTOMS AND CULTURE

HA SON BINH PROVINCE EXPANDS UPLAND NEW ECONOMIC ZONE

Hanoi NHAN DAN in Vietnamese 6 May 85 pp 1, 4

[Unattributed article: "Ha Son Binh; Seven Lowland Districts Form Brotherhood with Seven Upland Districts To Transfer People for Economic Development"]

[Text] The People's Committee of Ha Son Binh Province has joined districts and sectors in a preliminary summary of phase one in the campaign of people leaving for economic and social construction and development in the province.

During the past not quite 3 months, seven lowland districts have transferred 3,225 families with nearly 15,000 people, including 7,577 laborers, to seven upland districts. These results are quadruple those achieved during the past 4 years. The leading district pair was Thuong Tin-Ky Son with 130.8 percent of the planned level for the entire year of 1985 in the number of households, 159.6 percent in the number of laborers, and 31 party members. The people of 17 villages in Ky Son District contributed manpower and materials to erect 654 homes to receive the 654 families transferred from the sister district of Thuong Tin. The district pair of Phu Xuyen-Lac Son also completed and exceeded the planned level for the entire year during the 1st quarter, achieving 118 percent in the number of households and 134.8 percent in the number of laborers.

Party committee and administrative echelons from the provincial to the primary level concentrated efforts in supervision, creating a proper realization in the position of and need for labor and population redistribution within the province aimed at developing the economy, providing jobs for tens of thousands of laborers and enriching the local area. The rapid rate of labor and population transfer in Ha Son Binh was first of all due to an understanding from the primary to the provincial level on how to mobilize the composite strength, develop the collective ownership rights of the people and cause every individual and family to conscientiously depart with a clear understanding of where they were going, the jobs they would have and the specific policies and production processes in the new land area. Consequently, from the primary to the district level, besides capital invested by upper echelons, part of the money, tools and materials were set aside for issue to families leaving for the uplands. Members of the ethnic minorities in Da Bac, Tan Lac, Lac Son and Ky Son promptly prepared housing, food and land so the lowlanders could immediately begin production. Each family leaving to build the new economic zone was issued from 500 to 1,000 square meters of land to live on and raise a garden. In order to achieve an objective of raising tung trees on vacant land areas and bare hills,

many districts reexamined land zoning and contracted 1 to 1.2 hectares to each family to raise tung trees, achieving the formula of coordinated agriculture and forestry, "using the short to nurture the long," and creating conditions for everyone to be contented residing in the new land area. The forestry sector prepared 41,263 kilograms of tung seeds, enough to plant more than 10,000 hectares. To this time, the people of the highland districts and those who have gone to build the new economic zone have planted 7,806 hectares of tung trees. Taking advantage of the allowable agricultural production season, the families in the new land area have planted 72 hectares of peanuts, 129 hectares of corn, 533 hectares of manioc and 17 hectares of galingale.

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